# LETTER OF OFFER

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*This Letter of Offer is sent to you as shareholder(s) of **M/s Syschem (India)Limited** if you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Syschem (India) Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawalcum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was affected.*

**OPEN OFFER BY**

1. **Mr Ranjan Jain (Acquirer)**
   House No. 1701, Sector 33-D, Chandigarh,
   Tel No. 0172-2661501, Fax no 0172-4255517
2. **Mr Kushal Pal Singh (Acquirer)**
   House No. 1226, Sector 33-C, Chandigarh (UT)
   Tel No: 0172-2621709, Fax No: 0172- 4255517
3. **Mr Rajesh Gupta (Acquirer)**
   House No. 5460/2, Modern Complex, Manimajra, Chandigarh-160101,
   Tel No: 0172- 4255555, Fax No: 0172-4255517
4. **M/s Ally Chem Laboratories Private Limited (Acquirer)**
   SCO 290, First Floor, Sector 32-D, Opposite Nirman Theatre, Chandigarh - 160047
   Tel No: 0172- 4255555, Fax No: 0172- 4255517
5. **M/s Allychem Securities Private Limited (Acquirer)**
   SCO 290, First Floor, Sector 32-D, Chandigarh - 160047
   Tel No: 0172- 4255555, Fax No: 0172- 4255517
6. **M/s Classic Securities Private Limited (Acquirer)**
   1K/19, IST Floor, NIT, Faridabad, Haryana-121001
   Tel No:0129-4105064
7. **Mrs. Ruchika Jain (PACs)**
   House No.1701, Sector-33D, Chandigarh
   Tel No: 0172-2661501,Fax No: 0172- 4255517
8. **Mr. Jagmohan Arora (PACs)**
   House No. 1298, Sector 37-B, Chandigarh
   Tel No: 0172-6573717, Fax No: 0172- 4255517

**To**

**Acquire up to 3,18,20,800 equity shares of face value Rs. 1/- each representing 20% of the total equity/ voting share capital of Target Company at a price of Rs. 1.50/- (One Rupee & Fifty Paise Only) per fully paid equity share, payable in Cash.**

**Pursuant to the Regulation 10 & 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof**

**Of**

**Syschem (India) Limited**

Registered Office: Village Bargodam, Tehsil Kalka, Distt. Panchkula - 134112 (Haryana)

Phone No. 0173-3269258, Tele Fax No.- 0173-3269258

**All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:**

| Manager to the Offer | Registrar to the Offer |
|---|---|
| **D & A FINANCIAL SERVICES (P) LIMITED**<br>13, Community Centre, East of Kailash,<br>New Delhi - 110065.<br>Tel .: 011-26419079/ 26218274<br>Fax : 011 - 26219491<br>E-mail: dafspl@gmail.com<br>Contact Person: ***Mr. Priyaranjan***<br>**SEBI Reg. No. INM000011484** | **Beetal Financial & Computer Services Pvt. Limited**<br>Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir,<br>New Delhi-110062<br>E-Mail: beetalrta@gmail.com<br>Tel. Nos.: 29961281-82, Fax No.: 29961284<br>**Contact Person: Mr. Punit Mittal**<br>**SEBI Reg. No. INR000000262** |
| **OFFER OPENS ON: August 04, 2011 (Thursday)** | **OFFER CLOSES ON : August 23, 2011 (Tuesday)** |

**ATTENTION:**

1. **The Offer is subject to approval of RBI if any, under Foreign Exchange Management Act, 1999.**
2. **The Offer is not a Conditional Offer.**
3. **As on the date of Public Announcement, to the best of knowledge of Acquirer's, no Statutory Approvals are required to be obtained for the purpose of this Offer. However, the Offer would be subject to all Statutory Approvals that may become applicable at a later date before the completion of Offer.**
4. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. August 18, 2011 (Thursday).**
5. **If there is any upward revision in the Offer Price/number of shares by the Acquirer upto seven working days prior to the date of closure i.e. upto August 11, 2011, the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.**
6. **This is not a Competitive Bid, however If there is a Competitive Bid:**

**6.1 The Public Offers under all the subsisting bids shall close on the same date**

**6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the Offer, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

7. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 9 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 24 TO 27)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

**SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER**

| Sr. No. | Activity | Original Schedule Days & Dates | Revised Schedule Days & Dates |
|---|---|---|---|
| 1 | **Date of Publication of Public Announcement** | **Monday, April 25, 2011** | **Monday, April 25, 2011** |
| 2 | **Specified Date (For the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)** | **Friday, May 20, 2011** | **Friday, May 20, 2011** |
| 3 | **Last date for announcement of Competitive Bid** | **Monday, May16, 2011** | **Monday, May 16, 2011** |
| 4 | Date by which Letter of Offer will be posted to the Shareholders. | Monday, June 06, 2011 | Tuesday, August 02, 2011 |
| 5 | **Date of Opening of the Offer** | **Thursday, June 16, 2011** | **Thursday, August 04, 2011** |
| 6 | **Last date for revising the offer price/number of Shares** | **Friday, June 24, 2011** | **Thursday, August 11, 2011** |
| 7 | **Last Date for withdrawing acceptance fromthe Offer** | **Thursday, June 30, 2011** | **Thursday, August 18, 2011** |
| 8 | **Date of Closing of the Offer** | **Tuesday, July 05, 2011** | **Tuesday, August 23, 2011** |
| 9 | Last date of communicating rejection/ acceptance and payment for Applications accepted will be dispatched | Wednesday, July 20, 2011 | Wednesday, September 07, 2011 |

**RISK FACTORS**

**(A) Pertaining to Transaction:**

**(i) No Statutory Approvals required in respect of said Open Offer.**

**(B) Pertaining to Proposed Offer:**

**i. In the event that either (a) the regulatory approvals are not received in timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of SIL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer, may be delayed. In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI(SAST) Regulations, 1997, will be adhere to, i.e SEBI has power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22(13) of SEBI(SAST) Regulations,1997, will also become applicable.**

**ii. The shares tendered in the offer will be held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the acquirer makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.**

**iii. In the event of over-subscription to the offer, the acceptance will be on a Proportionate basis.**

**(C) Pertaining to Acquirers:**

**(i) Association of the Company with the Acquirers does not warrant any assurance with respect to the future financial performance of the Company.**

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## 1. DEFINITIONS

| | | |
|---|---|---|
| 1. | Acquirer or The Acquirers. | Mr.Ranjan Jain,Mr. Kushal Pal Singh, Mr.Rajesh Gupta, M/s Ally Chem Laboratories Private Limited,M/s Allychem Securities Private Limited,M/s Classic Securities Private limited |
| 2 | Book Value per share | Net worth / Number of equity shares issued |
| 3. | BSE | Bombay Stock Exchange Limited |
| 4. | DSE | Delhi stock Exchange Limited |
| 5. | EPS | Profit after tax / Number of equity shares issued |
| 6. | Form of Acceptance | Form of Acceptance cum Acknowledgement |
| 7. | Form of Withdrawal | Form of Withdrawal cum Acknowledgement |
| 8. | FEMA | Foreign Exchange Management Act, 1999. |
| 9. | LOO or Letter of Offer | Offer Document |
| 10. | Manager to the Offer or, Merchant Banker | D & A Financial Services (P) Limited |
| 11. | N.A. | Not Applicable |
| 12. | Negotiated Price | Rs. 1.20 (Rupees One and paisa Twenty Only) per fully paid-up equity share of face value of Rs. 1/- each. |
| 13. | Offer or The Offer | Open Offer for acquisition of 3,18,20,800 equity shares of Rs. 1/- each representing 20% of the total paid up equity share capital and resultant voting rights of Target Company at a price of Rs. 1.50/- (Rupees One and paisa Fifty Only) per fully paid equity share, payable in Cash. |
| 14. | Offer Price | Rs. 1.50/- (Rupees One and paisa Fifty Only) per fully paid equity share, payable in Cash. |
| 15. | Persons eligible to participate in the Offer | Registered shareholders of Syschem (India) Limited, and unregistered shareholders who own the equity shares of Syschem (India) Limited any time prior to the Offer closure other than the Parties to SPA i.e. Acquirers, PACs& the Sellers. |
| 16. | Person Acting in Concert or PACs | Mrs. Ruchika Jain,Mr. Jagmohan Arora |
| 17. | Public Announcement or "**PA**" | Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on April 25, 2011. |
| 18. | RBI | Reserve Bank of India |
| 19. | Registrar or Registrar to the Offer | M/s Beetal Financial & Computer Services Pvt. Limited |
| 20. | Return on Net Worth | (Profit After Tax/Net Worth) *100 |
| 21. | SEBI | Securities and Exchange Board of India |
| 22. | SEBI (SAST) Regulations, 1997 or Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto |
| 23. | SEBI Act | Securities and Exchange Board of India Act, 1992 |
| 24. | Sellers | Mr.Anil Nibber,Mr Atul Nibber and Mrs Seema Nibber |
| 25. | SPA | Share Purchase Agreement |
| 26. | Specified Date | Friday, May 20, 2011 |
| 27. | Target Company or SIL | Syschem (India) Limited |

## 2. DISCLAIMER CLAUSE

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE ANDARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SYSCHEM (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERSIS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, D & A FINANCIAL SERVICES (P) LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 03, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**

## 3.1 DETAILS OF THE OFFER

3.1.1 Mr Ranjan Jain, Mr Kushal Pal Singh, Mr Rajesh Gupta, M/s Ally Chem Laboratories Private Limited, M/s Allychem Securities Private Limited and M/s Classic Securities Private limited, (hereinafter collectively referred to as "**Acquirer(s)**")along with PACs Mrs Ruchika Jain and Mr Jagmohan Arora (hereinafter collectively referred to as "PACs")is making an Open Offer pursuant to Regulation 10 & 12and in compliance with the SEBI (SAST) Regulations, 1997. There is no other acquirers for the purpose of this offer.

3.1.2 The Acquirer has entered into a Share Purchase Agreement [**SPA**] on April22, 2011 to acquire an aggregate of 1,50,92,400 (One Crore fifty lacs ninety two thousand four hundred Only) fully paid up equity shares of Rs.1/- each representing 9.49% of the total enhanced voting share capital and voting rights of **Syschem (India) Limited** from the promoter shareholders of SIL, namely Mr. Anil Nibber S/o Late Sh. Harcharan Singh Nibber, resident of H No. 121, Sector 16-A, Chandigarh, Pin 160015, Mr Atul NibberS/o Sh. Harcharan Singh Nibber, resident of H No. 121, Sector 16-A, Chandigarh, Pin 160015, and Mrs Seema Nibber W/o Sh. Atul Nibber, resident of H No. 121, Sector 16-A, Chandigarh, Pin 160015(hereinafter collectively referred to as "**Sellers**") belongs to promoter category shareholder of Syschem (India) Limited holding 10502400,2090000 and 2500000 respectively - (Collectively, referred to as the "Sale Shares") at a price of Rs. 1.20 (One Rupees and Twenty Paisa Only) per fully paid up equity share payable in cash ("**Negotiated Price**"). The total consideration for the shares acquired as mentioned above is Rs 1,81,10,880/- (Rupees One Crore Eighty One Lacs Ten Thousand Eight Hundred and Eighty Only). The Offer is not as a result of global acquisition resulting in indirect acquisition of the target company. The Sellers doesnot belongs to anygroup as such.

"By the above acquisition, the holdings of acquirers alongwith PACs will be increased from 15931650 equity shares representing 10.01% of the total enhanced voting share capital of SIL to 31024050 equity shares representing 19.50% of the enhanced voting share capital of target company".

3.1.3 The details of the sellers are as under:

| S. No. | Name of the Shareholder/ Seller | Address | No. of Shares | % to the paid up capital | Amount (In Rs) |
|---|---|---|---|---|---|
| 1. | Mr.Anil Nibber | H No. 121, Sector 16-A, Chandigarh, Pin 160015 | 10502400 | 8.53 | 12602880 |
| 2. | Mr.Atul Nibber | H No. 121, Sector 16-A, Chandigarh, Pin 160015 | 2090000 | 1.70 | 2508000 |
| 3 | Mrs. Seema Nibber | H No. 121, Sector 16-A, Chandigarh, Pin 160015 | 2500000 | 2.03 | 3000000 |
| | | | **15092400** | **12.26** | **18110880** |

**3.1.4 The salient features of the SPA are as under:-**

a. In consideration of the purchase of the shares, the Acquirers hadpaid the total cash consideration of Rs.1,81,10,880/- (Rupees One Crore Eighty One Lacs Ten Thousand Eight Hundred and Eighty Only).

b. Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirers and the Acquirers shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

c. The Acquirers undertakes and covenants to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The sellers agree to provide the Acquirers with all possible necessary support (within their control), for complying with the provisions of the Takeover Code relating to Public Offer as are applicable to the transaction envisaged herein.

d. In the event Acquirers fails to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void in compliance with provisions of Regulation 22(16) of the Regulations.

3.1.5 Apart from 15092400 fully paid equity shares which the acquirers agreed to acquire in terms of SPA, the acquirers alongwith PACs holds 15931650 equity shares representing 10.01% of the enhanced paid up share capital of SIL as on date of public announcement. As on April 29, 2011, 20700000 equity shares were allotted to acquirers and PACs pursuant to conversion of warrants and subsequent to such allotment, the total shareholding of acquirers and PACs in together constitutes 36631650 equity shares representing 23.02% of the enhanced voting share capital of target company excluding 15092400 equity shares to be acquired by the acquirers in terms of SPA.

3.1.6 The Acquirers along with PACs, have acquired shares/ voting rights of the Target Company during the 12 months period prior to the date of this letter of offer in following manner.

| Name of Acquirers & PACs | Date of purchase | No. of shares acquired | Acquisition price per share |
|---|---|---|---|
| Ranjan Jain | 10.05.2010 | 1000000 | Rs 1.00 |
| | 15.09.2010 | 700000 | Rs 1.20 |
| | 29.04.2011 | 7100000 | Rs 1.00 |
| Kushal Pal Singh | 24.08.2010 | 25548 | Rs 1.48 |
| | 10.05.2010 | 1000000 | Rs 0.96 |
| | 15.09.2010 | 700000 | Rs 1.20 |
| | 29.04.2011 | 1500000 | Rs 1.00 |
| Rajesh Gupta | 15.09.2010 | 2600000 | Rs 1.25 |
| | 10.05.2010 | 1000000 | Rs 1.00 |
| Ally Chem Laboratories (P) Ltd | 29.04.2011 | 7000000 | Rs 1.00 |
| Allychem Securities (P) Ltd | 10.05.2010 | 4000000 | Rs 0.90 |
| | 10.05.2010 | 3000000 | Rs 1.00 |
| Ruchika Jain | 29.04.2011 | 4100000 | Rs 1.00 |
| Jagmohan Arora | 10.05.2010 | 1000000 | Rs 0.85 |
| | 29.04.2011 | 1000000 | Rs 1.00 |

3.1.7 Neither the Acquirers, PACs, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.8 After the closure of offer, Mr Ranjan Jain, Mr Kushal Pal Singh, Mr. Rajesh Gupta and Mr Jagmohan Arora may be appointed as a directors representing acquirers on the Board of Directors of target company.

**3.2 The Offer**

3.2.1 The Acquirers alongwith PACs have made a Public Announcement which was published on April 25, 2011 (except in Apna Mahanagar (Marathi) Mumbai Edition where it was published on April 26, 2011 due to network failure) in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 & 12 of SEBI (SAST) Regulations, 1997.

| Publication | Editions |
|---|---|
| Business Standard (English) | All Editions |
| Business Standard (Hindi) | All Editions |
| Apna Mahanagar (Marathi) | Mumbai Edition |

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2 The Acquirers alongwith PACs is making this Open Offer under the SEBI (SAST) Regulations, 1997, to acquire 3,18,20,800 equity shares of face value of Rs. 1/- each representing 20% of the total enhanced voting share capital of SIL" at a price of Rs. 1.50 (One Rupee and Fifty paisa Only) per fully paid-up equity share ("Offer Price"} payable in cash subject to terms and conditions mentioned hereinafter,whose names appear on the register of members on **Specified Date i. e May 20, 2011.**

3.2.3 As on date of this letter of offer, there are no partly paid-up shares in the Target Company.

3.2.4 The Offer is not a Competitive Bid.

3.2.5 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer. The Acquirer will accept the equity shares of SIL those are tendered in valid form in the terms of this offer upto the maximum of 3,18,20,800equity shares.

3.2.6 After the public announcement, the Acquirers along with PACs have acquired 2,07,00,000 equity shares of the target company on April 29, 2011 pursuant to conversion of warrants and the details of which are given as under:

| Name of Acquirers/PACs | Date of allotment of warrants | No. of warrants allotted | Price at which warrants were converted in to equity shares | No. of shares allotted pursuant to conversion of warrants | Pre conversion shareholding (No. & %) | Post conversion shareholding (No. & %) |
|---|---|---|---|---|---|---|
| Ranjan Jain | 11.11.2009 | 7100000 | Rs 1.00 | 7100000 | 2109400 (1.71%)^ | 9209400 (6.27%)# |
| Kushal Pal Singh | 11.11.2009 | 1500000 | Rs 1.00 | 1500000 | 1900000 (1.54%)^ | 3400000 (2.32%)# |
| Ally Chem Laboratories (P) Limited | 11.11.2009 | 7000000 | Rs 1.00 | 7000000 | Nil (4.77%)# | 7000000 |
| Ruchika Jain | 11.11.2009 | 4100000 | Rs 1.00 | 4100000 | 258000 (0.21%)^ | 4358000 (2.97%)# |
| Jagmohan Arora | 11.11.2009 | 1000000 | Rs 1.00 | 1000000 | 1001650 (0.81%)^ | 2001650 (1.36%)# |

Note: ^ The percentage has been calculated on pre conversion capital

# The percentage has been calculated on post conversion capital

**3.3 Objects of the Offer/ Acquisition**

3.3.1 The Offer to the Public shareholders of SIL is for acquiring 20% of the total paid up capital / voting rights of SIL. After the proposed offer, the Acquirers alongwith PACs will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.2 The Offer to the shareholders of SIL is being made in accordance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.

3.3.3 The acquirers alongwith PACs will continue the existing line of business of Target Company and at present there is no intention to change the existing line of business of target company. However the acquirers has plans to expand and upgrade the manufacturing facilities as per international standard for manufacturing of API as per guidelines of Drugs and Cosmatics act.

3.3.4 The Acquirers/PAC are involved in the similar business since long and are having rich experience in the management/running of similar industry. The acquirer were looking for opportunity to expand their business in the similar industry through acquisitions of existing business/plant to avoid the lengthy and time consuming provisions off setting a green field project. in the surrounding area they were looking for company with better infrastructure and scope for expansion. During exploration, they located the Syschem having very large infrastructure and land available with them and keeping in view the future expansions, the offer looked very lucrative and encouraging to them. Moreover, being in the same field they are having marketing tie ups with MNC's and large scale pharma companies enjoying good name and fame in the sector.

**4. BACKGROUND OF THE ACQUIRERS**

**4.1 Mr. Ranjan Jain**

4.1.1 Mr. Ranjan Jain, Son of Shri Dharam Dass Jain, aged around 45 years, an Indian National residing at House No. 1701,Sector 33-D, Chandigarh (UT), Tel No: 0172-2661501,Fax No: 0172- 4255517.

4.1.2 Mr. Ranjan Jain is Graduate in Arts (Eco Hon). He has more than 20 years of experience in the manufacturing/trading business of chemical & drug intermediates.

4.1.3 Mr. Yogesh Kumar, Chartered Accountant (Membership No.81333) partner of Y.K & Company having office at House No. 3169, Sector- 51D, Chandigarh, Phone No. 0712-4673169 has certified vide his certificate dated April 12,2011 that the Net worth of Mr Ranjan Jain as on 31-3-2011 is Rs. 1751.97 Lacs. Further the letter also confirms that he has sufficient means to fulfill his part of obligations under this Offer.

4.1.4 As per declaration received, Mr. Ranjan Jain holds directorship in the following Companies:

| S.No. | Name of the Company/Firm | Designation | Listed At |
|---|---|---|---|
| 1. | Allychem Laboratories Private Limited | Director | Not Listed |
| 2. | Allychem Securities Private limited | Director | Not Listed |
| 3. | Paramount Chemtech (P) Ltd | Director | Not Listed |
| 4. | Allychem Organics (P) Ltd | Director | Not Listed |
| 5. | Sangam Impacts | Partner | N.A |
| 6. | Paramount ChemicalsCorporation | Partner | N.A |
| 7. | Woolways Agencies | Partner | N.A |

4.1.4 As per information received from Mr Ranjan Jain, the following litigations are pending against him.

M/s Punjab Alkalies & Chemicals Limited has filed a complaint before Chief Judicial Magistrate, Chandigarh against M/s Paramount Chem- Tech (P) Ltd under section 138 of the Negotiable Instruments Act and also Mr Ranjan Jain, one of the director of M/s Paramount Chem-Tech (P) Ltd is made as a party alongwith other respondents in respect of said compliant.

4.1.5 Mr Ranjan Jain has acquired equity shares of the Target Company during preceding Twelve months from the date of letter of offer as follows.

| Date of purchase | No. of shares acquired | Acquisition price per share |
|---|---|---|
| 10.05.2010 | 1000000 | Rs 1.00 |
| 15.09.2010 | 700000 | Rs 1.20 |
| 29.04.2011 | 7100000 | Rs 1.00 |

4.1.6 As per declaration received,Mr.Ranjan Jainhas promoted/controlling stake in the followingcompanies as on the date of public announcement.

| | |
|---|---|
| Name of the Company | Allychem Laboratories Pvt Ltd |
| Date of Incorporation | 20-12-2002 |
| Listed At (name of the Stock Exchanges) | Nil |
| Nature of Business | Manufacturing of Drug Intermediates & Chemicals etc. |
| Whether a Sick Industrial Company (Yes/ No) | No |

| | Year Ended March 31, 2008 (Audited) | Year Ended March 31, 2009 (Audited) | Year Ended March 31, 2010 (Audited) |
|---|---|---|---|
| Paid up Equity Capital (Rs. in Lacs) | 70.00 | 70.00 | 178.10 |
| Reserves & Surplus (Rs. in Lacs) | 6.52 | 23.27 | 59.79 |
| Total Income (Rs. in Lacs) | 432.11 | 600.69 | 771.34 |
| Profit After Tax (Rs. in Lacs) | 2.25 | 16.75 | 36.52 |
| Earnings Per Share (in Rs.) | 0.32 | 2.39 | 2.05 |
| Net Asset Value (In Rs) | 9.57 | 9.72 | 9.91 |

| | |
|---|---|
| Name of the Company | Allychem Securities Pvt Ltd |
| Date of Incorporation | 23-12-2009 |
| Listed At (name of the Stock Exchanges) | N.A |
| Nature of Business | Investments & Consultancy. |
| Whether a Sick Industrial Company (Yes/ No) | No |
| | **Year Ended March 31, 2010 (Audited)** |
| Equity Capital (Rs. in Lacs) | 1.50 |
| Reserves & Surplus (Rs. in Lacs) | - |
| Total Income (Rs. in Lacs) | - |
| Profit After Tax (Rs. in Lacs) | - |
| Earnings Per Share (in Rs.) | - |
| Net Asset Value (in Rs.) | 6.00 |

| | |
|---|---|
| Name of the Company | Paramount Chemtech Pvt Ltd |
| Date of Incorporation | 09.09.1996 |
| Listed At (name of the Stock Exchanges) | Nil |
| Nature of Business | Trading of Chemicals & Drug intermediates' etc. |
| Whether a Sick Industrial Company (Yes/ No) | No |

| | **Year Ended March 31, 2008 (Audited)** | **Year Ended March 31, 2009 (Audited)** | **Year Ended March 31, 2010 (Audited)** |
|---|---|---|---|
| Equity Capital (Rs. in Lacs) | 91.55 | 91.55 | 91.55 |
| Reserves & Surplus (Rs. in Lacs) | 165.72 | 165.95 | 125.65 |
| Total Income (Rs. in Lacs) | 1545.06 | 907.82 | 36.63 |
| Profit After Tax (Rs. in Lacs) | 1.33 | 0.24 | -40.31 |
| Earnings Per Share (in Rs.) | 14.56 | 0.03 | -4.40 |
| Net Asset Value (in Rs.) | 28.12 | 28.14 | 23.41 |

4.1.7 The details of earlier acquisition of shares of target company by the acquirer are as follows.

| **Date** | **No. of shares acquired** | **% to paid up capital** | **Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,)** | **Status of Compliance with Regulations** |
|---|---|---|---|---|
| 19.09.2009 | 50631 | 0.04 | Open Market Purchase | - |
| 17.09.2009 | 48515 | 0.04 | Open Market Purchase | - |
| 18.09.2009 | 27489 | 0.02 | Open Market Purchase | - |
| 22.09.2009 | 39500 | 0.03 | Open Market Purchase | - |
| 23.09.2009 | 28741 | 0.02 | Open Market Purchase | - |
| 24.09.2009 | 8000 | 0.001 | Open Market Purchase | - |
| 29.09.2009 | 18365 | 0.01 | Open Market Purchase | - |
| 30.09.2009 | 43032 | 0.04 | Open Market Purchase | - |
| 01.10.2009 | 39355 | 0.03 | Open Market Purchase | - |
| 06.10.2009 | 3200 | 0.002 | Open Market Purchase | - |
| 07.10.2009 | 23195 | 0.02 | Open Market Purchase | - |
| 23.10.2009 | 977 | 0.0008 | Open Market Purchase | - |
| 27.10.2009 | 11000 | 0.009 | Open Market Purchase | - |
| 28.10.2009 | 21000 | 0.02 | Open Market Purchase | - |
| 04.11.2009 | 8541 | 0.007 | Open Market Purchase | - |
| 05.11.2009 | 5041 | 0.004 | Open Market Purchase | - |
| 06.11.2009 | 4418 | 0.003 | Open Market Purchase | - |
| 10.11.2009 | 2950 | 0.002 | Open Market Purchase | - |
| 11.11.2009 | 22050 | 0.02 | Open Market Purchase | - |
| 12.11.2009 | 4400 | 0.003 | Open Market Purchase | - |
| 10.05.2010 | 1000000 | 0.87 | Off Market Purchase | - |
| 15.09.2010 | 700000 | 0.61 | Off Market Purchase | - |
| 29.04.2011 | 7100000 | 4.84 | Conversion of Warrants | Disclosures under Regulation 7(1) filed on 30.04.2011 |

**4.2 Mr Kushal Pal Singh**

4.2.1 Mr. Kushal Pal Singh, son of Shri Sukh Pal Singh, aged 49 years, residing at H.No. 1226, Sector 33-C, Chandigarh (UT), Tel No: 0172-2621709, Fax No: 0172- 4255517

4.2.2 Mr. Kushal Pal Singh is Post Graduate in Commerce. He is engaged in the business ofmanufacturing and trading of chemicals, solvents and drug intermediates for last 7 years. He has worked in senior positions with reputed pharmaceuticals companies i.e. Ind Swift Group, Montari Industries etc. for period of 15 years.

4.2.3 Mr. Atul Gupta, Chartered Accountant (Membership No.509005) partner of Vinod Atul & Associates having office at Panchkula has certified vide hiscertificate dated April 18,2011 that the Net worth of Mr. Kushal Pal Singh as on 31-03-2011 is Rs 387.90 lacs. The letter also confirms that he has sufficient means to fulfill his part of obligations under this Offer.

4.2.4 As per declaration received, Mr. Kushal Pal Singh holds directorship in the following Companies:

| S.No. | Name of the Company | Designation | Listed At |
|---|---|---|---|
| 1. | Allychem Laboratories Private Limited | Director | Not Listed |
| 2. | Allychem Securities Private limited | Director | Not Listed |

4.2.5 Mr. Kushal Pal Singh has acquired equity shares of the Target Company during preceding Twelve months from the date of this draft letter of offer as follows.

| Date of purchase | No. of shares acquired | Acquisition price per share |
|---|---|---|
| 24.08.2010 | 25548 | Rs 1.48 |
| 10.05.2010 | 1000000 | Rs 0.96 |
| 15.09.2010 | 700000 | Rs 1.20 |
| 29.04.2011 | 1500000 | Rs 1.00 |

4.2.6 As per declaration received, Mr. Kushal Pal Singh has promoted/controlling stake in following companies as on the date of public announcement.

| | |
|---|---|
| Name of the Company | Allychem Laboratories Pvt Ltd |
| Date of Incorporation | 20-12-2002 |
| Listed At (name of the Stock Exchanges) | Nil |
| Nature of Business | Manufacturing of Drug Intermediates & Chemicals etc. |
| Whether a Sick Industrial Company (Yes/ No) | No |

| | Year Ended March 31, 2008 (Audited) | Year Ended March 31, 2009 (Audited) | Year Ended March 31, 2010 (Audited) |
|---|---|---|---|
| Paid up Equity Capital (Rs. in Lacs) | 70.00 | 70.00 | 178.10 |
| Reserves & Surplus (Rs. in Lacs) | 6.52 | 23.27 | 59.79 |
| Total Income (Rs. in Lacs) | 432.11 | 600.69 | 771.34 |
| Profit After Tax (Rs. in Lacs) | 2.25 | 16.75 | 36.52 |
| Earnings Per Share (in Rs.) | 0.32 | 2.39 | 2.05 |
| Net Asset Value (In Rs) | 9.57 | 9.72 | 9.91 |

| | |
|---|---|
| Name of the Company | Allychem Securities Pvt Ltd |
| Date of Incorporation | 23-12-2009 |
| Listed At (name of the Stock Exchanges) | N.A |
| Nature of Business | Investments & Consultancy. |
| Whether a Sick Industrial Company (Yes/ No) | No |
| | **Year Ended March 31, 2010 (Audited)** |
| Equity Capital (Rs. in Lacs) | 1.50 |
| Reserves & Surplus (Rs. in Lacs) | - |
| Total Income (Rs. in Lacs) | - |
| Profit After Tax (Rs. in Lacs) | - |
| Earnings Per Share (in Rs.) | - |
| Net Asset Value (in Rs.) | 6.00 |

4.2.7 As per information received from Mr Kushal Pal Singh, there is no litigation matters are pending by and against him.

4.2.8 The details of earlier acquisition of shares of target company by the acquirer are as follows.

| Date | No. of shares acquired | % to paid up capital | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,) | Status of Compliance with Regulations |
|---|---|---|---|---|
| 2009-10 | 208630 | 0.18 | Open Market Purchase | - |
| 15.09.2010 | 700000 | 0.61 | Off Market Purchase | - |
| 10.05.2010 | 1000000 | 0.87 | Off Market Purchase | - |
| 24.08.2010 | 25548 | 0.02 | Open Market Purchase | - |
| 29.04.2011 | 1500000 | 1.02 | Conversion of Warrants | Disclosures under Regulation 7(1) filed |

**4.3 Mr. Rajesh Gupta**

4.3.1 Mr. Rajesh Gupta, S/o Shri Tarloki Nath, aged around 45 years, residing at H.No. 5460/2, Modern Complex, Manimajra, Chandigarh-160101, Tel No: 0172- 4255555, Fax No: 0172-4255517.

4.3.2 Mr. Rajesh Gupta is Under Graduate and is having around 20 years of experience in the business of trading of chemicals, solvents and hardwares.

4.3.3 Mr. Narinder Sharma, Chartered Accountant (Membership No.503003) partner of Duggal Gupta & Associates having office SCO 169, Sector- 37C, Chandigarh-160036, Phone No. 0172- 3013783, 4635783, Fax No. 0172- 2692482 has certified vide his certificate dated April 01, 2011 that the Net worth of Mr. Rajesh Gupta as on 31-03-2011 is Rs 224.99 Lacs and the letter also confirms that he has sufficient means to fulfill his part of obligations under this Offer.

4.3.4 As per declaration received, Mr. Rajesh Gupta does not holds directorship in any Company.

4.3.5 As per declaration received, Mr. Rajesh Gupta is Proprietor of Rajesh Modi & Co, a Proprietary concern.

4.3.6 Mr. Rajesh Gupta has acquired equity shares of the Target Company during preceding Twelve months from the date of this draft letter of offer.

| Date of purchase | No. of shares acquired | Acquisition price per share |
|---|---|---|
| 15.09.2010 | 2600000 | Rs 1.25 |
| 10.05.2010 | 1000000 | Rs 1.00 |

4.3.7 As per declaration received, Mr. Rajesh Gupta has not promoted any company as on the date of public announcement.

4.3.8 The details of earlier acquisition of shares of target company by the acquirer are as follows.

| Date | No. of shares acquired | % to paid up capital | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,) | Status of Compliance with Regulations |
|---|---|---|---|---|
| 18.09.2009 | 7000 | 0.006 | Open Market Purchase | - |
| 08.10.2009 | 15000 | 0.01 | Open Market Purchase | - |
| 09.10.2009 | 9100 | 0.007 | Open Market Purchase | - |
| 12.10.2009 | 5000 | 0.004 | Open Market Purchase | - |
| 15.10.2009 | 1500 | 0.001 | Open Market Purchase | - |
| 28.10.2009 | 15000 | 0.01 | Open Market Purchase | - |
| 16.11.2009 | 10000 | 0.008 | Open Market Purchase | - |
| 10.05.2010 | 1000000 | 0.87 | Off Market Purchase | - |
| 15.09.2010 | 2600000 | 2.25 | Off Market Purchase | - |

**4.4 M/s Ally Chem Laboratories Private Limited**

4.4.1 Ally Chem Laboratories Private Limited (hereinafter referred to as "ACLPL") is a private company incorporated with the Registrar of Companies, Punjab,Himachal Pradesh and Chandigarh vide its certificate of incorporation dated December 20, 2002 under the provisions of Company Act, 1956. At present the Registered Office of the Company is situated at SCO 290,First Floor, Sector 32-C,Opposite Nirman Theatre , Chandigarh - 160047. The Company does not belong to any group as such

4.4.2 Presently Ally Chem Laboratories Private Limited engaged in the business of manufacturing of bulk drugs and intermediates.

4.4.3 The Company's shares are not listed on any of the Stock Exchange.

4.4.4 The Authorized Share Capital of Ally Chem Laboratories Private Limited as on March 31, 2010 is Rs2,00,00,000 divided in to 20,00,000 equiity shares of Rs 10/- each and Issued, Subscribed and Paid up Share Capital comprised of Rs1,78,10,000 divided in to 17,81,000 equity shares of Rs 10/- each.

4.4.5 As on date of Public Announcement, the Shareholding Pattern of the "Ally Chem Laboratories PrivateLimited" is as under:

| S. No. | Name | No. of Shares | % of holding |
|---|---|---|---|
| 1. | Mr Kushal Pal Singh | 540000 | 30.32 |
| 2. | Mr.AjayKumar Chaudhary | 411000 | 23.08 |
| 3. | Mr Jagmohan Arora | 360000 | 20.21 |
| 4. | Mr.Ranjan Jain | 470000 | 26.39 |
| | **TOTAL** | **1781000** | **100.00** |

4.4.7 The Board of Directors of "Ally Chem Laboratories PrivateLimited" as on P.A date consists of following members:-

| Sr. No | Name of Director | Designation | Residential Address | Date of Appointment | DIN No. | Qualification & Field of Experience |
|---|---|---|---|---|---|---|
| 1 | Mr. Kushal Pal Singh | Managing Director | H.No 1226, Sector- 33C, Chandigarh | 20/12/2002 | 01616359 | M.com& having 15 years Experience in chemicals, solvents & drug intermediates. |
| 2 | Mr. Jagmohan Arora | Director | H.No 1298,Sector-37B, Chandigarh. | 22/03/2004 | 00828060 | M.Sc., M.Phil(organic Chemistry) & having 15 Years Experience in manufacturing and trading of pharmaceuticals products, chemicals & drugs intermediates. |
| 3 | Mr.Ajay kumar Chaudhary | Director | GH 7A,Flat No.404, Sector -20,panchkula | 22/03/2004 | 00828987 | B.Sc (Chemistry) having 21 Years Experience in Products, chemicals & drug intermediates. |
| 4 | Mr.Ranjan Jain | Director | H.No 1701,Sector-33D, Chandigarh(UT) | 15/02/2010 | 00635274 | B.A(Economics) & having 20 Years Experience in manufacturing and trading of pharmaceuticals products, chemicals & drugs intermediates |

None of the above directors are on the board of the Target Company

4.4.8. The brief financials of "Ally Chem Laboratories Private Limited" are as under:-

(Amount in Lakhs)

| **Profit & Loss Statement** | **Year ended 31.03.2008 (Audited)** | **Year ended 31.03.2009 (Audited)** | **Year ended 31.03.2010 (Audited)** | **Year ended 31.03.2011 (Unaudited)*** |
|---|---|---|---|---|
| Income from operations | 432.11 | 598.96 | 641.07 | 1026.72 |
| Other Income | Nil | 1.73 | 130.28 | 0.67 |
| Increase/Decrease in Stocks | 48.89 | (60.57) | (24.64) | |
| **Total Income** | **481.00** | **540.12** | **746.71** | **1027.40** |
| Total Expenditure | 417.23 | 418.74 | 577.63 | 824.98 |
| **Profit Before Depreciation Interest and Tax** | **63.77** | **121.38** | **169.08** | **202.42** |
| Depreciation | 21.92 | 42.47 | 53.96 | 52.48 |
| Interest | 35.07 | 55.73 | 63.82 | 76.07 |
| **Profit/ (Loss) Before Tax** | **6.78** | **23.16** | **51.28** | **73.88** |
| Provision for Tax | 4.51 | 6.41 | 14.76 | 13.70 |
| **Profit / (Loss) After Tax** | **2.25** | **16.75** | **36.52** | **60.18** |

(Amount in Lacs)

| **Balance Sheet Statement** | **Year ended 31.03.2008 (Audited)** | **Year ended 31.03.2009 (Audited)** | **Year ended 31.03.2010 (Audited)** | **Year ended 31.03.2011 (Unaudited)*** |
|---|---|---|---|---|
| **Sources of funds** | | | | |
| Paid up equity share capital | 70.00 | 70.00 | 178.10 | 178.10 |
| Share Application Money | 15.50 | 30.00 | 43.98 | 48.98 |
| Reserves and Surplus (excluding revaluation reserves) | 6.52 | 23.27 | 59.79 | 97.71 |
| Secured loans | 226.41 | 360.59 | 391.63 | 468.36 |
| Unsecured loans | 106.76 | 123.92 | 75.21 | 152.66 |
| Current Liabilities | 149.26 | 138.48 | 210.64 | 235.37 |
| Deferred Tax Liability | 4.21 | 5.08 | 13.28 | 13.28 |
| **Total** | **578.67** | **751.34** | **972.62** | **1146.48** |
| **Uses of funds** | | | | |
| Net fixed assets | 290.06 | 408.89 | 483.85 | 539.19 |
| Investments | 3.25 | 15.53 | 17.50 | 18.78 |
| Current assets | 282.39 | 324.93 | 469.77 | 587.01 |
| Misc. Expenses (Not Written Off) | 2.97 | 1.98 | 1.50 | 1.50 |
| **Total** | **578.67** | **751.34** | **972.62** | **1146.48** |

| Other Financial Data | Year ended 31.03.2008 (Audited) | Year ended 31.03.2009 (Audited) | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Unaudited)* |
|---|---|---|---|---|
| Dividend (%) | Nil | Nil | Nil | Nil |
| Earnings Per Share (In Rs) | 0.32 | 2.39 | 2.05 | 3.38 |
| Networth[Rs.in lacs] | 73.55 | 91.28 | 236.39 | 275.31 |
| Return on Networth (%) | 3.06% | 18.35% | 15.45% | 21.86% |
| Book Value Per Share | 10.51 | 13.04 | 13.72 | 15.54 |

* As Certified by Mr.Atul Gupta, partner of Vinod Atul & Associates Chartered Accountants, (Membership No. 509005), being statutory auditor of the company having their office at 291, Sector- 15, Panchkula, Phone No. 0172- 2593302 vide their Certificate dated April 08th, 2011.

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)*100

Net Asset Value Per Share=Networth/ No. of Equity shares issued

**4.4.9 Reasons for Fall & Rise in Income/PAT in relevant years are given asunder:**

The Company has been operating at very low levels and hence minor changes in the earnings affect the final income and profitability of the Company.

4.4.10 There has been no merger / de-merger, spin-off in ACLPL during the past three years.

4.4.11 There is no change in Accounting Policies adopted by ACLPLduring last three years.

4.4.12 Ally Chem Laboratories Private Limited" has not promoted any Company(s) / Firm(s) since its inception.

4.4.13 Ally Chem Laboratories Private Limitedhad not acquired earlier any shares in SIL including any acquisition through Open Offer prior to SPA dated April22, 2011.

4.4.14 As per declaration received from Ally Chem Laboratories Private Limited, there is no any Litigation pendingagainst the Ally Chem Laboratories Private Limited.

**4.4.15 SIGNIFICANT ACCOUNTING POLICIES AS ON 31.03.2010**

**1) ACCOUNTING CONVENTION**

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India [GAAP], under the historical cost convention, on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India [ICAI] and the provisions of the Companies Act, 1956, as adopted by the Company.

**2) REVENUES RECOGNITION**

Sales are accounted for at ex-factory prices of dispatch.

**3) FIXED ASSETS AND DEPRECIATION**

Fixed assets are stated at their original cost including freight ,duties [net of CENVAT], taxes and other incidental expenses relating to acquisition and installation.

**4) BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset has been capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs".

**5) DEPRECIATION**

Depreciation is charged on WDV method on a pro-rata basis at rates prescribed under Schedule XIV of the Companies Act, 1956.

**6) TAXES ON INCOME**

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowance or other matters is probable.

The difference that result between the profit offered for income tax and the profits as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enected regulations.

Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**7) CONTINGENT LIABILITIES**

No contingent liability exists as on the balance sheet date.

**8) MISCELLANEOUS EXPENDITURE**

Preliminary and Preoperative Expenses are amortized over a period of 3 to 5 years.

4.4.16 The details of earlier acquisition of shares of target company by the acquirer are as follows.

| Date | No. of shares acquired | % to paid up capital | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,) | Status of Compliance with Regulations |
|---|---|---|---|---|
| 29.04.2011 | 7000000 | 4.77 | Conversion of Warrants | Disclosure under Regulation 7 filed on 30.04.2011 |

**4.5 M/s Allychem Securities Private Limited**

4.5.1 Allychem Securities Private Limited (hereinafter referred to as "ACSP") is a private company incorporated with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh vide its certificate of incorporation dated December 23, 2009 under the provisions of Companies Act, 1956.The Registered Office of the Company is situated at SCO 290,First Floor, Sector 32-D, Chandigarh - 160036. The Company does not belong to any group as such

4.5.2 The main object of Allychem Securities Private Limited prescribed the business of Financial Consultants, Management Consultants, to act as corporate advisor in arranging syndication of loans, FCCB, ECB, sale-purchase of shares, issue of securities and other financial instruments, to act as underwriter and subject to approval of regulatory Authorities to act as insurance agents and such other works and conveniences which may seem necessary to advance the interests of the Company.

4.5.3 The Company's shares are not listed on any of the Stock Exchange.

4.5.4 The Authorized Share Capital of Allychem Securities Private Limited as on date of public announcement is Rs 25,00,000 divided in to 2,50,000 equity shares of Rs 10/- each and Issued, Subscribed and Paid up Share Capital comprised of Rs Rs 25,00,000 divided in to 2,50,000 equiity shares of Rs 10/- each.

4.5.5 The Shareholding Pattern of the Acquirer Company as on date of public announcement is given as under:

| S. No. | Name | No. of Eq. Shares(Rs.10) | % of holding |
|---|---|---|---|
| 1. | Mr Kushal Pal Singh | 95000 | 38.00 |
| 2. | Mr Jagmohan Arora | 55000 | 22.00 |
| 3. | Mr.Ranjan Jain | 100000 | 40.00 |
| | **TOTAL** | **250000** | **100.00** |

4.5.6 The Board of Directors of "Ally Chem Securities Private Limited" as on P.A date consists of following members:-

| Sr. No | Name of Director | Designation | Residential Address | Date of Appointment | DIN No. | Qualification & Field of Experience |
|---|---|---|---|---|---|---|
| 1 | Mr. Kushal Pal Singh | Managing Director | House No 1226, Sector- 33C,Chandigarh | 23/12/2009 | 01616359 | M.com & having 15 years Experience in chemicals, solvents & drug intermediates. |
| 2 | Mr. Jagmohan Arora | Director | House No 1298, Sector-37B,Chandigarh. | 23/12/2009 | 00828060 | M.Sc., M.Phil(organic Chemistry) & having 15 Years Experience in manufacturing and trading of pharmaceuticals products, chemicals & drugs intermediates. |
| 3 | Mr.Ranjan Jain | Director | House No. 1701, Sector-33D, Chandigarh (UT) | 23/12/2009 | 00635274 | B.A(Economics) & having 20 Years Experience in manufacturing and trading of pharmaceuticals products, chemicals & drugs intermediates |

None of the above directors are on the board of the Target Company

4.5.7 The brief financials of "Ally Chem Securities Private Limited" are as under:-

(Rs. in Lakhs)

| Profit & Loss Statement | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Unaudited)* |
|---|---|---|
| Income from operations | Nil | Nil |
| Other Income | Nil | Nil |
| **Total Income** | **Nil** | **Nil** |
| Total Expenditure | Nil | Nil |
| **Profit Before Depreciation Interest and Tax** | **Nil** | **Nil** |
| Depreciation | Nil | Nil |
| Interest | Nil | Nil |
| **Profit/ (Loss) Before Tax** | **Nil** | **Nil** |
| Provision for Tax | Nil | Nil |
| **Profit / (Loss) After Tax** | **Nil** | **Nil** |

(Rs. in Lacs)

| Balance Sheet Statement | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Unaudited)* |
|---|---|---|
| **Sources of funds** | | |
| Paid up equity share capital | 1.50 | 25.00 |
| Reserves and Surplus (excluding revaluation reserves) | Nil | Nil |
| Secured loans | Nil | Nil |
| Unsecured loans | 93.50 | 177.15 |
| Current Liabilities | Nil | 0.06 |
| Deferred Tax Liability | Nil | Nil |
| **Total** | **95.00** | **202.21** |
| **Uses of funds** | | |
| Net fixed assets | Nil | Nil |
| Investments | 66.00 | 66.00 |
| Net Current assets | 28.40 | 134.31 |
| Misc. Expenses (Not Written Off) | 0.60 | 1.90 |
| **Total** | **95.00** | **202.21** |

| Other Financial Data | Year ended 31.03.2010 (Audited) | Year ended 31.12.2011 (Unaudited)* |
|---|---|---|
| Dividend (%) | Nil | Nil |
| Earning Per Share (In Rs) | Nil | Nil |
| Networth[Rs.in lacs] | 0.90 | 23.10 |
| Return on Networth (%) | Nil | Nil |
| Book Value Per Share | 6.00 | 9.24 |

* As Certified by Mr.Atul Gupta, partner of Vinod Atul & Associates Chartered Accountants, (Membership No. 509005), being statutory auditor of the company having their office at 291,Sector- 15, Panchkula, Phone No. 0172- 2593302 vide their Certificate dated April 08th, 2011

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)*100

Net Asset Value Per Share=Networth/ No. of Equity shares issued

4.5.8 Reasons for Fall & Rise in Income/PAT in relevant years are given as under:

The Company has been operating at very low levels and hence minor changes in the earnings affect the final income and profitability of the Company.

4.5.9 There has been no merger / de-merger, spin-off in ACSP during the past three years.

4.5.10 There is no change in Accounting Policies adopted by ACSP during last three years.

4.5.11 Allychem Securities Private Limitedhas not promoted any Company(s) / Firm(s) since its inception.

4.5.12 As per declaration received from Allychem Securities Private Limited, there is no any Litigation pending against the Allychem Securities Private Limited.

**4.5.13 SIGNIFICANT ACCOUNTING POLICIES AS ON 31.03.2010**

**1) ACCOUNTING CONVENTION**

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India [GAAP], under the historical cost convention, on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India [ICAI] and the provisions of the Companies Act, 1956, as adopted by the Company.

**2) REVENUES RECOGNITION**

No revenues reported during the year.

**3) BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset has been capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs".

4.5.14 The details of earlier acquisition of shares of target company by the acquirer are as follows.

| Date | No. of shares acquired | % to paid up capital | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,) | Status of Compliance with Regulations |
|---|---|---|---|---|
| 10.05.2010 | 7000000 | 6.08 | Off Market Purchases | Disclosure under Regulation 7 filed on 12.05.2010 |

**4.6 M/s Classic Securities Private limited**

4.6.1 Classic Securities Private Limited (hereinafter referred to as "CSP") is a private company incorporated with the Joint Registrar of Companies, Delhi and Haryana vide its certificate of incorporation dated January 05, 1993 under the provisions of Companies Act, 1956. The Registered Office of the Company is situated at 1K/19, IST Floor, NIT, Faridabad, Haryana-121001.The Company does not belong to any group as such.

4.6.2 Classic Securities Private Limited engaged in the business of an investment in shares, mutual funds, debentures etc.

4.6.3 The Company is a Non-Banking Financial Institution (NBFC) registered with Reserve Bank Of India under Section 45IA having Registration No. B - 03.00068 dated May 17, 2000 issued at New Delhi.

4.6.4 The Compliances under Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable to the acquirer as it is not holding any shares of target company.

4.6.5 The Authorized Share Capital of Classic Securities Private Limited as on date of Public Announcement is Rs 30,00,000 divided in to 3,00,000 equity shares of Rs 10/- each and Issued, Subscribed and Paid up Share Capital comprised of Rs 29,56,000 divided in to 2,95,600 equity shares of Rs 10/- each

4.6.6 The Shareholding Pattern of the Acquirer Company as on date of public announcement is given as under:

| S. No. | Name | No. of Shares | % of holding |
|---|---|---|---|
| 1. | Smt.Bhagwati Sharma | 3000 | 1.01 |
| 2. | Smt.Chanda Bhansali | 1850 | 0.63 |
| 3. | Sh. Moti Lal Sharma | 1500 | 0.51 |
| 4. | Sh.Surinder Choudhary | 1000 | 0.34 |
| 5 | Smt. Kusum Challani | 1200 | 0.41 |
| 6 | Sh. Hemant Saini | 26450 | 8.95 |
| 7 | Sh. Sanjay Sharma | 28500 | 9.64 |
| 8 | M/s Sumit Engineers Pvt Ltd | 118400 | 40.05 |
| 9 | M/s RMB Financial Services Limited | 110000 | 37.21 |
| 10 | Mr. Abhishek Bhansali | 3700 | 1.25 |
| | **TOTAL** | **295600** | **100.00** |

4.6.7 The Board of Directors of "Classic Securities Private Limited" as on P.A date consists of following members:-

| Sr. No | Name of Director | Designation | Residential Address | Date of Appointment | DIN No. | Qualification & Field of Experience |
|---|---|---|---|---|---|---|
| 1 | Mr Abhisekh Bhansali | Director | House No.1615, Sector-9, Faridabad-121006,Haryana | 07/09/2010 | 00105422 | B. Com and MBA and having 4 years of experience in finance and investments |
| 2 | Mrs Chanda Bhansali | Director | House No 1615, Sector-9, Faridabad-121006,Haryana | 05/01/1993 | 01116031 | Graduate and having 18 years of experience in investment in shares, debentures etc. |

None of the above directors are on the board of the Target Company

4.6.8 The brief financials of "Classic Securities Private Limited" are as under:-

(Rs. in Lacs)

| Profit & Loss Statement | Year ended 31.03.2008 (Audited) | Year ended 31.03.2009 (Audited) | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Unaudited)* |
|---|---|---|---|---|
| Income from operations | 0.89 | 0.97 | 1.25 | 2.71 |
| Other Income | 0.03 | Nil | Nil | Nil |
| **Total Income** | **0.92** | **0.97** | **1.25** | **2.71** |
| Total Expenditure | 0.82 | 0.83 | 1.15 | 2.59 |
| **Profit Before Depreciation Interest and Tax** | **0.10** | **0.14** | **0.10** | **0.12** |
| Depreciation | Nil | Nil | Nil | Nil |
| Interest | Nil | Nil | Nil | Nil |
| **Profit/ (Loss) Before Tax** | **0.10** | **0.14** | **0.10** | **0.12** |
| Provision for Tax | 0.03 | 0.04 | 0.03 | 0.04 |
| **Profit / (Loss) After Tax** | **0.07** | **0.10** | **0.07** | **0.08** |

(Rs. in Lacs)

| Balance Sheet Statement | Year ended 31.03.2008 (Audited) | Year ended 31.03.2009 (Audited) | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Unaudited)* |
|---|---|---|---|---|
| **Sources of funds** | | | | |
| Paid up equity share capital | 29.56 | 29.56 | 29.56 | 31.96 |
| Reserves and Surplus (excluding revaluation reserves) | 0.03 | 0.06 | 0.08 | 21.69 |
| Share Application Money | Nil | Nil | Nil | 69.50 |
| Secured loans | Nil | Nil | Nil | Nil |
| Unsecured loans | Nil | Nil | Nil | Nil |
| Current Liabilities | 0.61 | 0.79 | 0.94 | 1.67 |
| Deferred Tax Liability | Nil | Nil | Nil | Nil |
| **Total** | **30.20** | **30.41** | **30.58** | **124.82** |
| **Uses of funds** | | | | |
| Net fixed assets | Nil | Nil | Nil | Nil |
| Investments | 0.76 | 0.76 | 0.76 | 0.76 |
| Net Current assets | 29.18 | 29.45 | 29.67 | 123.99 |
| Misc. Expenses (Not Written Off) | 0.26 | 0.20 | 0.15 | 0.07 |
| **Total** | **30.20** | **30.41** | **30.58** | **124.82** |

| Other Financial Data | Year ended 31.03.2008 (Audited) | Year ended 31.03.2009 (Audited) | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Unaudited)* |
|---|---|---|---|---|
| Dividend (%) | Nil | Nil | Nil | Nil |
| Earning Per Share (In Rs) | 0.03 | 0.05 | 0.03 | 0.04 |
| Networth[Rs.in lacs] | 29.33 | 29.43 | 29.49 | 123.08 |
| Return on Networth (%) | 0.24 | 0.34 | 0.23 | 0.10 |
| Book Value Per Share | 9.92 | 9.93 | 9.98 | 38.51 |

* As Certified by Mr.Suresh Anchalia, Proprietor of Anchalia & Associates, Chartered Accountants, (Membership No. 094061), being statutory auditor of the company having their office at 35,Neelam Batra Road, N.I.T, Faridabad, Haryana-121001, Phone No. 0129-4158005 vide their Certificate dated April 05, 2011.

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)*100

Net Asset Value Per Share=Networth/ No. of Equity shares issued

**4.6.9 Reasons for Fall & Rise in Income/PAT in relevant years are given as under:**

The Company has been operating at very low levels and hence minor changes in the earnings affect the final income and profitability of the Company.

4.6.10 There has been no merger / de-merger, spin-off in CSP during the past three years.

4.6.11 There is no change in Accounting Policies adopted by CSP during last three years.

4.6.12 "Classic Securities Private Limited" has not promoted any Company(s) / Firm(s) since its inception.

4.6.13 Classic Securities Private Limited had not acquired any shares in SIL including any acquisition through Open Offer prior to SPA dated April 22, 2011.

4.6.14 As per declaration received from Classic Securities Private Limited, there is no any Litigation pending against the Classic Securities Private Limited.

**4.6.15 SIGNIFICANT ACCOUNTING POLICIES AS ON 31.03.2010**

**BASIS OF ACCOUNTING**

The accounts are prepared on historical cost basis and on the accounting principles on going concern.The accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**INVESTMENTS**

Investments are stated at Cost.

**INVENTORIES**

Stock of shares are valued at lower of cost or market price

**RECOGNITION OF INCOME AND EXPENDITURE**

Item of Income and Expenditure are recognized on accrual basis.

**AMORTIZATION**

Share capital enhancement expenditure have been written off over the period of 10 years.

**CONTINGENT LIABILITIES**

Contingent Liabilities are not provided for in the accounts and are shown separately in the notes to account.

**5 Background of the Person Acting in Concert(PACs)**

**5.1 Mrs Ruchika Jain**

5.1.1 Mrs. Ruchika jain is W/o Mr. Ranjan Jain, aged around 36 years, residing at House No.1701, Sector-33D, Chandigarh. Tel No: 0172-2661501.

5.1.2 Mrs Ruchika Jain is Undergraduate and she is a Housewife.

5.1.3 MrYogesh Kumar, Chartered Accountant (Membership No.81333) partner of Y.K & Company having office Chandigarh has certified vide his certificate dated April 20, 2011 that the Net worth of MrsRuchika Jain as on 31-03-2011 is Rs. 939.09 Lacs.

5.1.4 As per declaration received, Mrs Ruchika Jain holds directorship in the following Companies:

| S. No. | Name of the Company | Designation | Listed At |
|---|---|---|---|
| 1. | Allychem Organics Private Limited | Director | Not Listed |

5.1.5 As per declaration received, Mrs Ruchika Jain is partnerin Paramount Chemicals Corporation.

5.1.6 As per declaration received, Mrs Ruchika Jain has not promoted any company as on the date of public announcement.

5.1.7 As per declaration received from Ruchika Jain , there is no any Litigation pending against her.

5.1.8 The details of earlier acquisition of shares of target company by Ruchika Jain are as follows.

| Date | No. of shares acquired | % to paid up capital | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,) | Status of Compliance with Regulations |
|---|---|---|---|---|
| 07.10.2009 | 10000 | 0.008 | Open Market Purchase | - |
| 08.10.2009 | 1500 | 0.001 | Open Market Purchase | - |
| 14.10.2009 | 97853 | 0.08 | Open Market Purchase | - |
| 15.10.2009 | 15675 | 0.01 | Open Market Purchase | - |
| 16.10.2009 | 22008 | 0.02 | Open Market Purchase | - |
| 17.10.2009 | 45025 | 0.04 | Open Market Purchase | - |
| 21.10.2009 | 2489 | 0.002 | Open Market Purchase | - |
| 23.10.2009 | 11450 | 0.009 | Open Market Purchase | - |
| 26.10.2009 | 14100 | 0.01 | Open Market Purchase | - |
| 29.10.2009 | 1701 | 0.001 | Open Market Purchase | - |
| 03.11.2009 | 5693 | 0.004 | Open Market Purchase | - |
| 05.11.2009 | 5162 | 0.004 | Open Market Purchase | - |
| 10.11.2009 | 15943 | 0.01 | Open Market Purchase | - |
| 11.11.2009 | 4598 | 0.003 | Open Market Purchase | - |
| 12.11.2009 | 7000 | 0.006 | Open Market Purchase | - |
| 29.12.2009 | 1000 | 0.0008 | Open Market Purchase | - |
| 29.04.2011 | 4100000 | 3.33 | Conversion of Warrants | Disclosure under Regulation 7(1) filed on 30.04.2011. |

**5.2 Mr Jagmohan Arora**

5.2.1 Mr. Jagmohan Arora is S/o Sh. Manohar Lal, aged around 42 years, an Indian Resident, residing at House no 1298, Sector 37-B,Chandigarh. Tel No: 0172-6573717.

5.2.2 Mr.Jagmohan Arora is a Master in Science and also Master of Philosophy from Kuruchetra University. He has 15 years of experience in manufacturing and trading of pharmaceuticals products, chemical & drug intermediates.

5.2.3 Mr. Atul Gupta, Chartered Accountant (Membership No.509005) partner of Vinod Atul & Associates having office Panchkula has certified vide his certificate dated April 18, 2011 that the Net worth of Mr Jagmohan Arora as on 31-03-2011 is Rs. 64.51 Lacs.

5.2.4 As per declaration received, Mr. Jagmohan Arora holds directorship in the following Companies:

| S.No. | Name of the Company | Designation | Listed At |
|---|---|---|---|
| 1. | Allychem Laboratories Private Limited | Director | Not Listed |
| 2 | Allychem Securities Private Limited | Director | Not Listed |

5.2.5 As per declaration received, Mr. Jagmohan Arora has controlling stake in following companies.

| | |
|---|---|
| Name of the Company | Allychem Securities Pvt Ltd |
| Date of Incorporation | 23-12-2009 |
| Listed At (name of the Stock Exchanges) | N.A |
| Nature of Business | Investments & Consultancy. |
| Whether a Sick Industrial Company (Yes/ No) | No |

| | Year Ended March 31, 2010 (Audited) |
|---|---|
| Equity Capital (Rs. in Lacs) | 1.50 |
| Reserves & Surplus (Rs. in Lacs) | - |
| Total Income (Rs. in Lacs) | - |
| Profit After Tax (Rs. in Lacs) | - |
| Earnings Per Share (in Rs.) | - |
| Net Asset Value (in Rs.) | 6.00 |

5.2.6 As per declaration received from Jagmohan Arora, there is no any Litigation pending against him.

5.2.7 The details of earlier acquisition of shares of target company by Jagmohan Arora are as follows.

| Date | No. of shares acquired | % to paid up capital | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Issue/Inter-se-transfer etc.,) | Status of Compliance with Regulations |
|---|---|---|---|---|
| 16.03.2010 | 1650 | 0.001 | Open Market Purchase | - |
| 10.05.2010 | 1000000 | 0.81 | Off Market Purchase | - |
| 29.04.2011 | 1000000 | 0.68 | Conversion of Warrants | - |

5.2.8 There are no relationship exists between the acquirers and PACs except one of the PACs namely Mrs Ruchika Jain is wife of Mr Ranjan Jain, one of the acquirer.

5.2.9 The acquirers will continue the existing business of target company and also may expand the existing business depending upon market conditions, since they are having rich experience in the same sector in which the target company is carrying its business.

**Disclosure in terms of Regulation 16(ix)**

The Acquirers and PACs at present has no intention to sell, dispose of or otherwise encumber any significant assets of SIL in the succeeding two years, except in the ordinary course of business of SIL. SIL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of SIL.

**DISCLOSURE UNDER REGULATION 21(2)**

The Offer (assuming full acceptance) would not result in public shareholding in the Target Company being reduced below the minimum level i.e 25% as required as per the Listing Agreement entered with the Stock Exchanges for the purpose of listing on continuous basis and the post offer shareholding of acquirers along with PACs will be less than 75% of the paid up/voting share capital of target company.

**BACKGROUND OF THE TARGET COMPANY**

**Syschem (India) LIMITED (SIL)**

6.1 Syschem (India) Limited (hereinafter referred to as "SIL"), was originally incorporated as a public limited company under the name of Anil Pesticides Limited with the Registrar of Companies, N.C.T of Delhi & Haryana vide its certificate of incorporation dated December 31, 1993 under the provisions of Companies Act, 1956 and further the name of the Company was changed to its present name as Syschem (India) Limited vide Fresh Certificate of Incorporation dated December 26, 2001 with the Registrar of Companies, N.C.T of Delhi & Haryana. The Registered Office of the Company is situated at Village Bargodam,Tehsil Kalka, Distt.Panchkula - 134112 (Haryana), Phone No. 0173-3269258, Tele Fax No.- 0173-3269258. The Company does not belong to any group as such.

6.2 The authorised share capital of SIL as on the date of Public Announcement is Rs 20.00 Crore, comprising of 20,00,00,000 equity shares of Rs 1/- (Rupee One Only) each and the issued, subscribed and paid-up share capital of SIL as on date of letter of offer stood at Rs 15,91,04,000/- comprising of 15,91,04,000 fully paid up equity share of Rs 1/- (Rupees One only) each.

As on the date of letter of offer, the share capital structure of the target company is as given under:

| Paid up Equity Shares of SIL | No. of Equity shares/ voting rights | % of Shares / voting rights |
|---|---|---|
| Fully paid-up equity shares | 15,91,04,000 | 100.00 |
| Partly paid-up equity shares | Nil | Nil |
| **Total paid-up equity shares** | **15,91,04,000** | **100.00** |
| **Total voting rights in the Target Company** | **15,91,04,000** | **100.00** |

6.3 The shares of SIL are listed at Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange Limited (DSE).

6.4 SIL engaged in the business of manufacturing of bulk drugs intermediates and also Chemicals.

6.5 The current capital structure of the Company has been build up since inception as under:

| Date of allotment | No of shares issued | % of shares issued | Cumulative paid up capital (In Rs.) | Mode of allotment | Identity of Allottees (Promoters/Others) | Status of Compliance |
|---|---|---|---|---|---|---|
| Subscriber to MOA | 80 | 0.00 | 800 | Cash | Subscribers to Memorandum | Complied |
| 28.06.1994 | 320000 | 2.01 | 3200800 | Cash | Further allotment (Promoters) | Complied |
| 02.08.1994 | 179920 | 1.13 | 5000000 | Cash | Further allotment (Promoters) | Complied |
| 16.09.1994 | 210000 | 1.32 | 7100000 | Cash | Further allotment (Promoters) | Complied |
| 07.01.1995 | 695000 | 4.37 | 14050000 | Cash | Further allotment (Promoters) | Complied |
| 13.10.1995 | 3705400 | 23.29 | 51104000 | Cash | Public Issue | Complied |
| 24.06.2003 | 8670000 | 5.45 | 59774000 | Cash | Further allotment (Non Promoters) | Complied |
| 24.06.2003 | 5330000 | 3.35 | 65104000 | Conversion of Unsecured Loans | Further allotment (Non Promoters) | Complied |
| 18.05.2006 | 20500000 | 12.88 | 85604000 | Cash | Further allotment (Non Promoters) | Complied |
| 26.05.2006 | 3000000 | 1.88 | 88604000 | Cash | Further Allotment (Promoter) | Complied |
| 26.05.2006 | 19000000 | 11.94 | 107604000 | Cash | Further allotment (Non Promoters) | Complied |
| 14.06.2006 | 2500000 | 1.57 | 110104000 | Cash | Further Allotment (Promoter) | Complied |
| 14.06.2006 | 5000000 | 3.15 | 115104000 | Cash | Further allotment (Non Promoters) | Complied |
| 28.03.2010 | 8000000 | 5.03 | 123104000 | Cash | Further allotment (Non Promoters) | Listing Application filed |
| 29.04.2011 | 23700000 | 14.90 | 146804000 | Cash | Further allotment (Non Promoters) | Listing Application filed. |
| 09.05.2011 | 12300000 | 7.73 | 159104000 | Cash | Futher allotment (Non Promoters) | Listing Application filed. |

***The shares of the Company stands subdivided from Rs.10- to Rs.1/- vide special resolution passed in the Extra Ordinary General meeting 25th March 2003.**

**The company also forfeited 1202000 no. of shares vide Board Resolution dated March 27, 2010 for non payment of calls in arrear and the same were reissued by the Board of Directors in their meeting held on May 21, 2010.**

6.6 As on date of this letter of offer, no convertible instruments are pending for conversion in to equity shares in the target company.

6.7 There are no partly paid up shares in the target company.

6.8 As per declaration received from the target company, Sellers, Promoters and other major shareholders of the Target Company have complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997except disclosures under Regulation 7(1A) during the year 2010 were delayed filed. Further target company has also complied with provisions of Chapter II of the Regulations except disclosures under Regulation 6(2) and 6(4) for the year 1997 and disclosures under Regulation 8(3) for the year 1998 and 1999 were delayed filed with stock exchange and SEBI may initiate adjudication proceedings against the promoters and target company for delays in filing of disclosures as required under Regulation 7(1A), 6(2), 6(4) and 8(3) of SEBI (SAST) Regulations.

6.9 SIL has complied with the requirements of the Listing Agreement and as per declaration received no punitive action has been taken against the SIL by the stock exchange where its equity shares are listed.

6.10 The composition of the Board of Directors of SIL as on the date of Public Announcement is as follows:-

| Name of the Director | Designation | Qualification & Experience | Residential Address | Date of Appointment | DIN No. |
|---|---|---|---|---|---|
| Mr Anil Nibber | Managing Director | B.Sc., LLB and having around 35 years of experience in finance, accounts and administration | H.No 121,Sector-16A, Chandigarh 160015 | 15.10.1994 | 00814840 |
| Mr Kuldeep Kumar | Director | He is graduate and working in the field of marketing with various companies | 64/1 village Kathasu Ki Patti Batad,Tehsil Jubbal, Dist. Shimla | 31.07.2007 | 02587484 |
| Mr.Balbir Chand | Director | He is an Undergraduate | H.No 203,Village Jiwan Arian,Tehsil & Distt. Ferozepur | 16.08.1995 | 01801205 |
| Mr.Balwant Singh Sandhu | Director | He is Graduate.He has worked with Punjab State Co-Op Agricultural Development Bank and has retiered as General Manager in the year 2008. He is now involve in trading of various agricultural products. | H.No 1298,Sector-37B, Chandigarh 160036 | 13.08.2010 | 003365416 |

| | | | | | |
|---|---|---|---|---|---|
| Mr. Shanti Lal Jain | Director | ACA,B.Com(Hon), PGDCA. He is in practice for last three years.He has experience of 5 years in the field of accounts and taxation | B-400,2nd Floor,Nehru ground, NIT, Faridabad-121001 | 13.08.2010 | 00577174 |
| Sh. Satish Kumar Pandit | Director | He is graduate and has experience of 25 years in the field of finance and accounts. | House No. 3377, Sector- 23D, Chandigarh 160023 | 31.07.2007 | 02573898 |

None of the directors on the board of the Target Company represent the Acquirers & PACs.

6.11 There has been no merger / de-merger, spin-off during the past three years in SIL.

6.12 The brief financials of SIL are as under:-

(Rs. In Lacs)

| **Profit & Loss Statement** | **Year ended 31.03.2008 (Audited)** | **Year ended 31.03.09 (Audited)** | **Year ended 31.03.10 (Audited)** | **Year ended 31.12.2010 (Unaudited)** |
|---|---|---|---|---|
| Income from Operations | 393.04 | 327.32 | 291.66 | 388.07 |
| Other Income | 1.65 | 0.10 | 412.33 | 5.43 |
| Increase/Decrease in Stocks | (0.64) | 0.01 | 7.72 | (11.89) |
| **Total Income** | **394.05** | **327.43** | **711.72** | **381.61** |
| Total Expenditure | 385.14 | 327.88 | 304.68 | 364.66 |
| **Profit/ Loss before Depreciation, Interest and Tax** | **8.91** | **(0.45)** | **407.04** | **16.95** |
| Depreciation | 61.53 | 63.13 | 63.84 | 47.71 |
| Interest | 27.38 | 20.19 | 20.00 | 10.56 |
| **Profit (Loss) before Tax** | **(80.00)** | **(83.77)** | **323.19** | **(41.32)** |
| Provision for Tax | 14.07 | 31.06 | 128.10 | 0.00 |
| **Profit (Loss) after Tax (PAT)** | **(65.93)** | **(52.71)** | **195.09** | **(41.32)** |

| **Balance Sheet Statement** | **Year ended 31.03.2008 (Audited)** | **Year ended 31.03.09 (Audited)** | **Year ended 31.03.10 (Audited)** | **Year ended 31.12.2010 (Unaudited)** |
|---|---|---|---|---|
| **Sources of Funds** | | | | |
| Paid up Share Capital | 1142.49 | 1142.49 | 1139.02 | 1151.04 |
| Share Application Money | 0.50 | 0.50 | 110.50 | 110.50 |
| Reserves & Surplus (Excluding Revaluation Reserve) | 70.00 | 70.00 | 76.28 | 82.29 |
| Secured loans | 950.74 | 848.85 | 170.52 | 0.00 |
| Unsecured Loans | 0.00 | 0.00 | 25.00 | 381.14 |
| Current Liabilities | 92.13 | 150.09 | 265.22 | 337.11 |
| Deferred Tax Liability | Nil | Nil | Nil | Nil |
| **Total** | **2255.86** | **2211.93** | **1786.54** | **2062.08** |
| **Application of Funds** | | | | |
| Net Fixed Assets | 907.21 | 869.35 | 909.95 | 985.78 |
| Investments | Nil | Nil | Nil | Nil |
| Current Assets | 621.82 | 548.88 | 416.63 | 575.02 |
| Misc. Expenditure not Written Off | 32.33 | 15.05 | 4.28 | 4.28 |
| Deferred Tax Assets | 114.55 | 145.98 | 18.10 | 18.10 |
| Profit/Loss Account Debit Balance | 579.95 | 632.67 | 437.58 | 478.90 |
| **Total** | **2255.86** | **2211.93** | **1786.54** | **2062.08** |

| **Other Financial Data** | **Year ended 31.03.2008 (Audited)** | **Year ended 31.03.09 (Audited)** | **Year ended 31.03.10 (Audited)** | **Year ended 31.12.2010 (Unaudited)** |
|---|---|---|---|---|
| Dividend (%) | Nil | Nil | Nil | Nil |
| Earnings Per Share (Rupees) | (0.06) | (0.04) | 0.17 | (0.03) |
| Networth | 600.21 | 564.77 | 773.44 | 750.15 |
| Return on Networth (%) | (10.98) | (9.33) | 25.22 | (5.51) |
| Net Asset Value Per Share (Rupees) | 0.52 | 0.49 | 0.67 | 0.65 |

* As Certified by Mr. Vijay Kumar, Partner of M/s Bansal Vijay & Associates, Chartered Accountants, (Membership No. 93412), being statutory auditor of the target company having their office at SCO, 3017-18, 2nd Floor, Sector-22D, Chandigarh, Tel: 0172 - 2707433 vide their certificate dated March 25, 2011.

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Net worth)*100

Book Value Per Share=Net worth/ No. of Equity shares issued

**6.13 Reasons for Fall & Rise in Income & PAT in relevant Years:**

During the year ending 31st March, 2010 the total income of the Companyincreased from Rs.327.42 lacs to 703.99 lacs as compared to previous year and also the target company incurred a profit to the tune of Rs 195.09 lacs as compared to loss of Rs 52.71 lacs as compared to previous year. This was due to waiver of principal and interest amount of apprx Rs 100.52 lacs and waiver of interest amount of Rs 307.62 lacs by Panchkulla Central Co-operative Bank and Canara Bank under One Time Settlement.

**6.14 Pre and Post-Offer shareholding pattern of the Target Company as on the date of PA is as per the following table:**

| Sr. No | Shareholder category | Shareholding & voting rights prior to the acquisition and Offer (A) | | Shares/voting rights to be acquired which triggered off the Regulations (B) | | Shares/Voting rights acquired by the Acquirers/ PACs by way of conversion of warrants in to equity shares (C) | | Shares/Voting rights to be acquired in the open Offer (assuming full acceptance) (D) | | Shareholding/voting rights after the acquisition, Offer and acquisition of shares through conversion of warrants i.e. (A+B+C+D) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % | No. | % | No. | % |
| 1. | **a. Promoter Group** | | | | | | | | | | |
| | **a. Sellers** | | | | | | | | | | |
| | Mr. Anil Nibber | 10502400 | 8.53 | (10502400) | (8.53) | Nil | N.A | Nil | N.A | Nil | N.A |
| | Mr. Atul Nibber | 2090000 | 1.70 | (2090000) | (1.70) | Nil | N.A | Nil | N.A | Nil | N.A |
| | Ms. Seema Nibber | 2500000 | 2.03 | (2500000) | (2.03) | Nil | N.A | Nil | N.A | Nil | N.A |
| | **Total 1(a)** | **15092400** | **12.26^** | **(15092400)** | **(12.26)^** | **Nil** | **N.A** | **Nil** | **N.A** | **Nil** | **N.A** |
| | **(b) Other than Parties to Agreement** | | | | | | | | | | |
| 1b. | Mr. Lekh Raj | 3000000 | 2.44 | Nil | Nil | Nil | N.A | Nil | Nil | # | # |
| | Mr. Rajinder Bhandari | 100 | 0.00 | Nil | Nil | Nil | N.A | Nil | Nil | # | # |
| | **Total 1 (a+b)** | **18092500** | **14.70^** | **Nil** | **Nil** | **Nil** | **N.A** | **Nil** | **Nil** | **#** | **#** |
| 2 | **(a) Acquirers** | | | | | | | | | | |
| | Mr. Ranjan Jain | 2109400 | 1.71 | 2090000 | 1.70 | 7100000 | 4.46$ | Nil | N.A | 11299400 | 7.10$ |
| | Mr. Kushal Pal Singh | 1900000 | 1.54 | 1102400 | 0.89 | 1500000 | 0.94$ | Nil | N.A | 4502400 | 2.83$ |
| | Mr. Rajesh Gupta | 3662600 | 2.97 | 400000 | 0.32 | Nil | N.A | Nil | N.A | 4062600 | 2.55$ |
| | Allychem Laboratories Private Limited | Nil | N.A | 2500000 | 2.03 | 7000000 | 4.40$ | 15910400 | 10.00 | 25410400 | 15.97$ |
| | M/s Allychem Securities Private Limited | 7000000 | 5.69 | 5500000 | 4.47 | Nil | N.A | 15910400 | 10.00 | 28410400 | 17.86$ |
| | M/s Classic Securities Private Limited | Nil | Nil | 3500000 | 2.86 | Nil | N.A | Nil | N.A | 3500000 | 2.20$ |
| | **(b) PACs** | | | | | | | | | | |
| | Ruchika Jain | 258000 | 0.21 | Nil | N.A | 4100000 | 2.58$ | Nil | N.A | 4358000 | 2.74$ |
| | Jagmohan Arora | 1001650 | 0.81 | Nil | N.A | 1000000 | 0.63$ | Nil | N.A | 2001650 | 1.26$ |
| | **Total 2(a)+(b)** | **15931650** | **12.93^** | **15092400** | **12.26^** | **20700000** | **13.01$** | **31820800** | **20.00** | **83544850** | **52.51$** |
| 3 | **Parties to agreement other than 1(a) & 2** | Nil | N.A | Nil | N.A | Nil | N.A | Nil | N.A | Nil | N.A |
| 4. | **Public (other than 1 to 3)** | | | | | | | | | | |
| | a. FIs/MFs/FIIs Banks/SFIs etc | Nil | NA | Nil | NA | | | | | | |
| | b. Bodies Corporate | 18085093 | 14.69 | Nil | NA | | | (31820800) | (20.00) $ | 75559150 @ | 47.49$ |
| | c. Indian Public | 66146275 | 53.74 | Nil | NA | | | | | | |
| | d. NRI/OCB | 2608822 | 2.12 | Nil | NA | | | | | | |
| | e. Any other | 2239660 | 1.82 | Nil | NA | | | | | | |
| | **Total 4** | **89079850** | **72.37^** | **NIL** | **NA** | | | | | | |
| | **Grand Total (1 to 4)** | **123104000** | **100.00^** | **NIL** | **NA** | | **Nil** | **Nil** | | **159104000$** | **100.00$** |

Note: The data within bracket indicates sale of equity shares.

^ The Percentage of shareholding calculated on the basis of pre-conversion capital i.e Rs 123104000 divided in to 123104000 equity shares of Rs 1/- each.

$ The Percentage of shareholding calculated on the basis of post conversion capital i.e Rs 159104000 divided in to 159104000 equity shares of Rs 1/- each.

# The promoters shareholding under 1(b) can also participate in the Offer, hence the reduction in their shareholding is shown under Public Category as after the Offer their share holding will be part of Public Holding.

@ This shareholding also includes the shares allotted to the public shareholders by way of conversion of warrants held by them.

**6.15 The changes in the shareholding of Promoters Group of SIL since 1997 as mentioned below:**

| Year ended & PACs | No. of shares held by Promoters company | Paid up equity capital of the | % of total capital Promoters & PACs | % change in shareholding of | Status of Compliance |
|---|---|---|---|---|---|
| 20.02.1997 | 2100000 | 5110400 | 41.09 | - | - |
| 31.03.1997 | 2100000 | 5110400 | 41.09 | - | - |
| 31.03.1998 | 2100000 | 5110400 | 41.09 | - | - |
| 31.03.1999 | 2100000 | 5110400 | 41.09 | - | - |
| 31.03.2000 | 2100000 | 5110400 | 41.09 | - | - |
| 31.03.2001 | 2100000 | 5110400 | 41.09 | - | - |
| 30.11.2001 | 2100000 | 5110400 | 41.09 | - | - |
| 31.03.2002 | 2100000 | 5110400 | 41.09 | - | - |
| 10.01.2003 | 2100000 | 5110400 | 41.09 | - | - |
| 16.02.2003 | 2134500 | 5110400 | 41.77 | 0.68 | - |
| 21.02.2003 | 2166600 | 6510400 | 33.28 | (8.49) | Reduction in shareholding holding due to allotment of shares to promoters and non promoters on preferential basis |
| 31.03.2003 | 2166600 | 6510400 | 33.28 | - | - |
| 31.03.2004 | 2134500 | 6510400 | 33.28 | - | - |
| 22.06.2004 | 22613000 | 65104000 | 34.73 | 1.45 | |
| 16.11.2004 | 22412900 | 65104000 | 34.43 | (0.30) | - |
| 31.03.2005 | 22412900 | 65104000 | 34.43 | - | - |
| 11.10.2005 | 21473200 | 65104000 | 32.99 | (1.44) | Disclosures under Regulation 7(1A) filed within due date. |
| 13.10.2005 | 21333000 | 65104000 | 32.77 | (0.22) | |
| 14.10.2005 | 20833000 | 65104000 | 32.00 | (0.77) | |
| 15.10.2005 | 20583000 | 65104000 | 31.61 | (0.38) | |
| 18.10.2005 | 20203000 | 65104000 | 31.03 | (0.58) | |
| 25.01.2006 | 19992900 | 65104000 | 30.71 | (0.32) | |
| 15.02.2006 | 19842900 | 65104000 | 30.48 | (0.23) | |
| 16.02.2006 | 19042900 | 65104000 | 29.25 | (1.23) | |
| 31.03.2006 | 19042900 | 65104000 | 29.25 | - | |
| 26.05.2006 | 22042900 | 107604000 | 20.48 | (8.77) | Reduction in share-holding due to allotment of shares to promoters and non promoters on preferential basis |
| 14.06.2006 | 24542900 | 115104000 | 21.32 | 0.84 | |
| 21.06.2006 | 24542500 | 115104000 | 21.32 | - | |
| 21.08.2006 | 24342500 | 115104000 | 21.14 | (0.18) | |
| 21.11.2006 | 24592500 | 115104000 | 21.36 | 0.22 | |
| 31.03.2007 | 24592500 | 115104000 | 21.36 | - | |
| 27.12.2007 | 26592500 | 115104000 | 23.10 | 1.74 | |
| 31.03.2008 | 26592500 | 115104000 | 23.10 | - | |
| 31.03.2009 | 26592500 | 115104000 | 23.10 | - | |
| 31.03.2010 | 26592500 | 115104000 | 23.10 | - | |
| 16.07.2010 | 24592500 | 115104000 | 21.36 | (1.74) | Disclosures under Regulation 7(1A) filed on 02.05.2011 i.e. after due date |
| 11.10.2010 | 22092500 | 115104000 | 19.19 | (2.17) | |
| 25.10.2010 | 21092500 | 115104000 | 18.32 | (0.87) | Disclosures under Regulation 7(1A) filed on 02.05.2011 i.e. after due date. |
| 23.11.2010 | 18092500 | 115104000 | 15.72 | (2.60) | |

6.16 The details of inter se transfer of shares between the promoters are given as under.

| Date | Name of Transferee | No. of shares | % to total capital | Name of Transferor | Remarks |
|---|---|---|---|---|---|
| 10.01.2003 | Anil Nibber | 33440 | 0.65 | Nidhi, Nishika, Akhil, Ajitesh, Surinder Singh, Charanjit Singh, Sher Singh, Ranjit Singh | - |
| 27.12.2005 | Anil Nibber | 7650000 | 11.75 | Haryana State Industrial Development Corporation Ltd. [HSIDC] | Report under Regulation 3(4) filed vide letter dated 26.03.2011 i.e after due date. |

6.17 As per the information received from the Target Company, the number of the shareholders in SIL in public category other than PACs and Parties to agreement as on the date of PA is 10970 (Ten Thousand Nine Hundred and Seventy Only).

6.18 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of Corporate Governance; this certificate is attached with annual report of the Target Company for the year ended March 31, 2010.

6.19 As per information received from the target company, the following litigation matters pending by and against the Company as on date.

1. M/s R A Intrachem Pvt Ltd, one of the creditors has disputed the old dues and filed the suit with the Punjab & Haryana High Court, Chandigarh. The quantum of amount involved is less than Rs. 10 Lacs and keeping in view the facts of the case there will be no material adverse affect on the company except the outstanding dues mentioned above. We are in process of negotiations with the party and hope for the settlement very soon.

2. M/s M.R. Chemical Sales Corpn., one of the creditors has disputed the old dues and filed the suit with Punjab & Haryana High Court, Chandigarh. The quantum of amount involved is Rs. 2.38 Lacs plus interest. The Company has made payment of principal amount in the court and the same has been accepted by the customer. The amount payable as interest is subject matter of dispute.

3. The Excise Department has levied a penalty of RS. 7.70 Lacs towards differential of excise duty on jobwork and also imposed an equivalent amount of penalty. The Company filed an appeal with Customs & Excise Appellate Tribunal, New Delhi against the above demand of the department. The Company got stay in the tribunal on recovery.

6.20 The name and contact details of the compliance officer are as under:-

| | |
|---|---|
| Name of the Compliance Officer | Mr. Naresh Batra |
| Contact Address | # 280, Sector 21, Panchkula, Haryana |
| Tele No. | 0172-2562720 |
| Fax No. | 0172-2567720 |

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of Offer Price

7.1.1 The shares of "**SIL**" are at present listed on The Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange (DSE). The shares of the SILare frequently traded at Bombay Stock Exchange where they are listed/ permitted to be traded during the preceding six months. The shares are frequently traded as per the data available with The Stock Exchange, Mumbai (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

7.1.2 The annualized trading turnover during preceding six calendar months ended April, 2011 at the BSE , where the shares of the company are listed as follows:

| Name of the Stock Exchange | Total no. of equity shares traded during September, 2009 to February, 2010 | Total no. of listed shares | Annualized trading turnover (% to total listed shares) |
|---|---|---|---|
| BSE | 8994117 | 115104000 | 15.63% |

7.1.3 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the equity shares are deemed to be frequently traded on BSE as per the date available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.4 Following are the average of the weekly high and low of the closing prices and volume data for 26 weeks ended on April 24,2011 i.e. the weeks preceding the date of P.A., at BSE, where the shares of the company are frequently traded.(Source: www.bseindia.com)

| Weeks | From | To | Closing Prices (High)# | Closing Prices (Low)# | Average | Total no. of shares traded |
|---|---|---|---|---|---|---|
| 1 | October 25,2010 | October 31,2010 | 1.43 | 1.38 | 1.40 | 511885 |
| 2 | November 01,2010 | November 07,2010 | 1.62 | 1.42 | 1.52 | 1046463 |
| 3 | November 08,2010 | November 14,2010 | 1.63 | 1.55 | 1.59 | 959434 |
| 4 | November 15,2010 | November 21,2010 | 1.59 | 1.49 | 1.54 | 514783 |
| 5 | November 22,2010 | November 28,2010 | 1.53 | 1.47 | 1.50 | 629595 |
| 6 | November 29,2010 | December 05,2010 | 1.49 | 1.45 | 1.47 | 256806 |
| 7 | December 06,2010 | December 12,2010 | 1.42 | 1.36 | 1.39 | 491521 |
| 8 | December 13,2010 | December 19,2010 | 1.38 | 1.35 | 1.36 | 106554 |
| 9 | December 20,2010 | December 26,2010 | 1.39 | 1.33 | 1.36 | 211148 |
| 10 | December 27,2010 | January 02,2011 | 1.44 | 1.30 | 1.37 | 237549 |
| 11 | January 03,2011 | January 09,2011 | 1.37 | 1.30 | 1.33 | 195436 |
| 12 | January 10,2011 | January 16,2011 | 1.41 | 1.32 | 1.36 | 84235 |
| 13 | January 17,2011 | January 23,2011 | 1.37 | 1.31 | 1.34 | 157661 |
| 14 | January 24,2011 | January 30,2011 | 1.33 | 1.28 | 1.30 | 138055 |
| 15 | January 31,2011 | February 06,2011 | 1.28 | 1.16 | 1.22 | 167363 |
| 16 | February 07,2011 | February 13,2011 | 1.29 | 1.23 | 1.26 | 147085 |
| 17 | February 14,2011 | February 20,2011 | 1.28 | 1.17 | 1.22 | 188247 |
| 18 | February 21,2011 | February 27,2011 | 1.22 | 1.10 | 1.16 | 243840 |
| 19 | February 28,2011 | March 06,2011 | 1.13 | 1.06 | 1.09 | 112604 |
| 20 | March 07,2011 | March 13,2011 | 1.15 | 1.11 | 1.13 | 215573 |
| 21 | March 14,2011 | March 20,2011 | 1.31 | 1.18 | 1.24 | 372501 |
| 22 | March 21,2011 | March 27,2011 | 1.39 | 1.29 | 1.34 | 216442 |
| 23 | March 28,2011 | April 03,2011 | 1.26 | 1.20 | 1.23 | 291845 |
| 24 | April 04,2011 | April 10,2011 | 1.34 | 1.24 | 1.29 | 167078 |
| 25 | April 11,2011 | April 17,2011 | 1.29 | 1.20 | 1.24 | 257200 |
| 26 | April 18, 2011 | April 24, 2011 | 1.56 | 1.25 | 1.40 | 660171 |
| | | | | **Average Price** | | **Rs 1.33** |

# Source: www.bseindia.com

7.1.5 Following are the prices and volume data for 2 weeks ended on April 24, 2011 i.e. the weeks preceding the date of P.A., at BSE, where the shares of the company are frequently traded.(Source: www.bseindia.com)

| Day | Date | Daily High (Rs.) | Daily Low (Rs.) | Average (Rs.) | Total no. of shares traded |
|---|---|---|---|---|---|
| 01 | 11.04.2011 | 1.47 | 1.00 | 1.23 | 27622 |
| 02 | 12.04.2011 | NIL | NIL | NIL | NIL |
| 03 | 13.04.2011 | 1.25 | 1.01 | 1.13 | 80699 |
| 04 | 14.04.2011 | NIL | NIL | NIL | NIL |
| 05 | 15.04.2011 | 1.40 | 1.06 | 1.23 | 148879 |
| 06 | 16.04.2011 | NIL | NIL | NIL | NIL |
| 07 | 17.04.2011 | NIL | NIL | NIL | NIL |
| 08 | 18.04.2011 | 1.35 | 1.24 | 1.29 | 35603 |
| 09 | 19.04.2011 | 1.29 | 1.27 | 1.28 | 88893 |
| 10 | 20.04.2011 | 1.32 | 1.10 | 1.21 | 50282 |
| 11 | 21.04.2011 | 1.56 | 1.28 | 1.42 | 485393 |
| 12 | 22.04.2011 | NIL | NIL | NIL | NIL |
| 13 | 23.04.2011 | NIL | NIL | NIL | NIL |
| 14 | 24.04.2011 | NIL | NIL | NIL | NIL |
| | | | **2 Weeks Average** | **1.25** | |

7.1.6 In accordance with Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations, 1997 the offer price of Rs 1.50/-(Rupees One and Paise fifty Only) per fully paid up equity share is justified in view of the following parameters:

| | | |
|---|---|---|
| a. | The Negotiated Price | Rs. 1.20/- (Rupees One and Paise Twenty Only) |
| b. | Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of PA i.e April 25, 2011 | N.A |
| c. | The average of the weekly high and low of the closing prices of the equity shares of SIL during 26 weeks period prior to the date of Public Announcement i.e April 25, 2011 on BSE. | Rs 1.33 |

| | | | |
|---|---|---|---|
| d. | The average of the daily high and low of the equity shares of SIL during the 2 weeks period prior to the date of Public Announcement i.e April 25, 2011 on BSE. | Rs.1.25 | |
| **E** | **Other Financial Parameters** | **Based on the audited financial data for the year ended March 31, 2010** | **Based on the Unaudited financial data for the Nine Months ended December 31, 2010*** |
| | Return on Net Worth (%) | 25.22 | (5.51) |
| | Book Value per share (Rs.) | 0.68 | 0.65 |
| | Earning per share (Rs.) | 0.17 | (0.03) |
| | Price Earning Multiple (Closing Market Price : Rs 1.56 on BSE on 22.04.2011) | 9.75 | Nil |

* As Certified by Mr. Vijay Kumar, Partner of M/s Bansal Vijay & Associates, Chartered Accountants, (Membership No. 93412), being statutory auditor of the target company having their office at SCO, 3017-18, 2nd Floor, Sector-22D, Chandigarh, Tel: 0172 - 2707433 vide their certificate dated March 25, 2011.

7.1.7 Hence the Offer price of Rs 1.50 for each fully paid up equity shares of face value of Rs 1/- each are justified in terms of Regulation 20(4) and 20(5) of SEBI (SAST) Regulations, 1997.

7.1.8 There is no non-compete agreement.

7.1.9 If the Acquirer acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

**7.2 Financial Arrangements**

7.2.1 The Acquirer has adequate resources to meet the financial requirements of the Offer. The Acquirer has made firm arrangement for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through Internal / personal resources and no borrowings from banks / FIs etc., is being made.

7.2.2 Inaccordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirers have created an Escrow Account in the form of a Bank Guarantee for an amount Rs 1,00,00,000/- (Rupees One Crore Only) issued by Punjab National Bank, valid till April 30, 2012 in favour of D & A Financial Services (P) Limited - the Manager to the Offer and also acquirers have made a cash deposit of Rs. 35,00,000/- (Rupees Thirty Five Lacs Only) being in excess of 1% of the maximum purchase consideration payable under this Offer, in a bank escrow account with Axis Bank , East of Kailash, New Delhi. D & A Financial Services (P) Limited, the Manager to the Offer has been empowered to realize the value of the Escrow in terms of the SEBI (SAST) Regulations, 1997.

7.2.3 The amount in terms of Bank Guarantee and Cash Deposit jointly constitute more than 25% of the amount required for the Open Offer.

7.2.4 In terms of Regulation 28(13), in case of non-fulfillment of obligations by the Acquirer, the Manager to the Offer shall ensure realization of escrow amount by way of foreclosure of deposit and invocation of bank guarantee.

7.2.5 The Acquirer has duly empowered M/s D & A Financial Services (P) Limited, Manager to the Offer, to realise the value of the Escrow Account interms of the SEBI (SAST) Regulations, 1997.

7.2.6 The Manager to the Offer, M/s D & A Financial services (P) Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997.

**8. TERMS AND CONDITIONS OF THE OFFER**

**8.1 Persons eligible to participate in the Offer**

8.1.1 Registered shareholders of SIL and unregistered shareholders who own the equity shares of SIL any time prior to the date of Closure of the Offer, other than the parties to the SPA, i.e. Acquirer and Sellers .

8.1.2 None of the existing shares of SIL are under any lock-in requirements except 44000000 equity shares are under locked-in.

**9. Statutory Approvals**

9.1 The offer is subject to the acquirer obtaining the approval (s) from the Reserve Bank of India (RBI), if any, under the Foreign Exchange ManagementAct, 1999

9.2 As on the date of Public Announcement, to the best of the Acquirer' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.3 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of offer.

9.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

**10. Others**

10.1 Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

10.2 This Letter of Offer has been mailed to all the shareholders of SILwhose names appeared on the Register of Members of SIL as on **Friday, May 20, 2011**being the Specified Date except the Sellers and Parties to SPA.

10.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respectively depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

10.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

**11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER**

11.1 The Offer is not subject to any minimum level of acceptances from Shareholders and in case of the shares received under the Offer Exceeding the Offer size, the Acquirer will accept shares on proportionate basis.

11.2 A Letter of Offer specifying the detailed terms and conditions of the Offer together with a Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding shares in physical forms) will be mailed to the shareholders of SIL (Other than Acquirer) whose names appear on the Register of Members of SIL and to the beneficial owners of the equity shares of SIL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on,**May 20, 2011(the "Specified Date**"). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

11.3 All shareholders of the Target Company, (other than the Acquirer and Sellers), who own equity sharesanytime before the Closure of the Open Offer, are eligible to participate inthe Offer.

11.4 The shareholders of SIL (other than Acquirer and Sellers) are eligible to participate in the Offer anytime before the closure of the offer by sending their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the Registrar to the Offer viz. **Beetal Financial & ComputerServices Pvt. Limited., having its office at Beetal House, 3rd Floor,99, Madangir, Near DadaHarsukh Das Mandir,New Delhi-110062**, Tel: 011-29961281/82, Fax:011- 29961284 either by Registered Post, Courier or Hand Delivery (Between 10.00 a.m. to 5.00 p.m on all working days), on or before the date of closure of the offer **i.e August 23, 2011**, in accordance with the instructions specified in the Letter of Offer & Application Form.

11.5 Eligible persons to the Offer may also download a copy of the Letter ofOffer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's websites at http:/www.sebi.gov.in and can apply for the Offer in such downloaded form.

11.6 Beneficial owners and shareholders holding shares in hysical form, Whowish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by Registered Post or courier as the case may be, on Mondays to Fridays between 10.30AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **(Tuesday) August 23, 2011.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with SIL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members ofSIL or on the Share Certificate issued by SIL) as per the specimen signature(s) lodged with SIL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

The Registrar to the Offer,**Beetal Financial & Computer Services Pvt. Ltd.** has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

11.7 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., August 23, 2011, along with a photocopy of the delivery instructions in "Off market" mode or counterfoil of the delivery instructions in "**Off-market**" mode, duly acknowledged by the Depository Participant ("**DP**"), in favour of ""**BEETAL OPEN OFFER ESCROW A/C CAPITAL SIL**" filled in as per the instructions given below:

| | | |
|---|---|---|
| DP Name | : | NDA Securities Limited |
| DP ID Number | : | IN 303663 |
| Client ID Number | : | 10035317 |
| Depository | : | National Securities Depository Limited |

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instructions slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

11.8 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with TI), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. August 23, 2011. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

11.9 In case the equity shares are held by a Company / Body Corporate, then a Certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

11.10 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

11.11 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 PM upto the date of Closure of the Offer, i.e. August 23, 2011, else the application would be rejected..

11.12 In case of shareholders who have not received the LOO and holding equity shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 11.8 above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **August 23, 2011**. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

11.13 The following collection centre would be accepting the documents by Hand Delivery /Regd. Post/Courier as specified above, both in case of shares in physical and dematerialised form.

| Sr. No. | Address of Registrar to the Offer | Business Hours | Mode of Delivery |
|---|---|---|---|
| 1. | **Beetal Financial & Computer Services Pvt. Limited**<br>Beetal House, 3rd Floor,<br>99, Madangir, Near Dada Harsukh Das Mandir,<br>New Delhi-110062.<br>Tel: 011-29961281/82, Fax: 011- 29961284,<br>email: beetal@rediffmail.com<br>Contact Person: **Mr. Punit Mittal** | **Monday to Friday**<br>10.30 AM to 5.00 PM<br>**Saturday**<br>10.30 AM to 1.30 PM | Hand Delivery /<br>Courier/<br>Registered Post |

**Holidays: Sundays and Bank Holidays**

11.14 The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of SIL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

11.15 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, **i.e.August 18, 2011**. The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

11.16 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

11.16.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

11.16.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the "**BEETAL OPEN OFFER ESCROW A/C SIL**"" ("Depository Escrow Account").

11.17 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

11.18 Acquirer will acquire all the 3,18,20,800 fully paid-up equity shares tendered in the Offer with valid applications.

11.19 As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended (the "Income Tax Act") , no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115D of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Residents Individuals, Overseas Corporate Bodies and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target Company. In case of its non submission the Acquirer reserve its right to reject the shares tendered in the Offer.

## 12. Method of Settlement

12.1 Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by Acquirer, Acquirer will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of SIL is 1, {One} equity share.

12.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of SIL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfilment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

12.3 On fulfilment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) or through ECS mode of payment viz Direct Credit/NEFT/RTGS, drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of SIL whose equity shares are accepted by the Acquirer at his address registered with SIL/ DP. **It is desirable that shareholders holding shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

12.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

12.5 The Acquirer shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. Wednesday, September 07, 2011including payment of consideration to the shareholders of SIL whose equity shares are accepted for purchase by the Acquirer.

12.6 While tendering the Shares under the Offer, the NRIs/OCBs/FIIs will be required to submit the No Objection Certificate/ Tax Clearance Certificate, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, from the Income Tax Authorities under Income Tax Act, 1961. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirer will send the proof of having deducted and paid the tax along with the payment consideration.

12.7 In case of non-receipt of any of statutory approvals, if any required, SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

**13 General**

13.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

13.2 Neither the Acquirer nor the Manager nor the Registrar nor the Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

13.3 The Offer Price is denominated and payable in Indian Rupees only.

13.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

13.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

**13.6 "If there is competitive bid:**

**13.6.1 The Public Offers under all the subsisting bids shall close on the same date.**

**13.6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly"**

13.7 Wherever necessary, the financial figures are rounded off to nearest lac or crore.

13.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrar to the Offer on or before 1700 hours upto three working days prior to the date of Closure of the Offer, i.e. Thursday, August 23, 2011 as mentioned in para 11.17 above.

13.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official website: **www.sebi.gov.in.**

13.10 The Manager to the Offer i.e. D & A Financial Services (P) Limited does not hold any shares in SIL as on the date of PA.

**14. DOCUMENTS FOR INSPECTION**

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 13, Community Centre, East of Kailash, New Delhi- 110065, Contact Person: Mr. Priyaranjan from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

14.1 Certifcate of Incorporation, Memorandum & Articles of Association of Allychem Laboratories PrivateLimited.

14.2 Certificate of Incorporation, Memorandum & Articles of Association of Allychem Securities Private Limited.

14.3 Certificate of Incorporation, Memorandum & Articles of Association of Classic Securities Private Limited.

14.4 Certificate from Mr. Atul Gupta, Patner of M/s Vinos Atul & Associates, Chartered Accountants,Certifying that Allychem Laboratories Private Limited, Allychem Laboratories Private Limitedhave sufficient funds to meet its obligations under the Open Offer.

14.5 Certificate from Mr. Suresh Anchalia proprietor of Anchilia & Associates, Chartered Accountants, Certifying that Classic Securities Private Limitedhave sufficient funds to meet its obligations under the Open Offer

14.6 Audited Balance Sheet of Allychem Laboratories Private Limited, Allychem Scurities Private Limited And Classic Securites Private Limitedfor years ended on March 31, 2008, 2009, 2010 as well as certified financial figures for the Quarter endingMarch 31, 2011.

14.7 Certificate from Axis Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulations, 1997 and Copy of Bank Guarantee of Rs 10000000/- in favour of Manager to the offer issued by Punjab National Bank.

14.8 Copy of Share Purchase Agreement dated April 22,2011.

14.9 Published copy of the Public Announcement (PA), which appeared in the newspapers on April 25, 2011.

14.10 Copy of letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

**15. DECLARATION BY THE ACQUIRER**

15.1 Mr. Ranjan Jain S/o Sh. D.D. Jain H.No. 1701, Sector 33-D, Chandigrh (UT), Mr. Kushal Pal Singh, S/o Sh. Sukh Pal Singh, H.No. 1226, Sector 33-C, Chandigarh (UT), Mr. Rajesh Gupta, S/o Sh. Triloki Nath, H.No. 5460/2, Modern Complex, Manimajra, Chandigarh, Board of Directors of M/s Allychem Laboratories Pvt Ltd having its registered office situated at SCO 290, Ist Floor, Sector 32-D, Opposite Nirman Theatre, Chandigarh (UT), Board of Directors of M/s Allychem Securities Pvt Ltd having its registered office situated at SCO 290, Ist Floor, Sector 32-D, Opposite Nirman Theatre, Chandigarh (UT) and Board of Directors of M/s Classic Securities Pvt Ltd having its registered office situated at 1K/19, First Floor, NIT, Faridabad (Haryana) alongwith Person Acting in ConcertMrs. Ruchika Jain resident of House No. 1701, Sector-33D, Chandigarh, (U.T) and Mr. Jagmohan Arora resident of House No. 1298, First Floor, Sector-37 B, Chandigarhaccept full responsibility for the information contained in this Draft Letter of Offer and also the obligations of the Acquirers and PACs as laid down in the SEBI (SAST) Regulations, 1997 & subsequent amendments thereof.

15.2 All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

Date: July 28, 2011
Place: New Delhi

For and on behalf of Acquirers
Sd/-
Mr. Ranjan Jain
Mr. Kushal Pal Singh
Mr. Rajesh Gupta
Allychem Laboratories Private Limited
Allychem Securities Private Limited
Classic Securities Private Limited

**16. ENCLOSURES**

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s).

**By the Promoters/Sellers/ Major shareholders of target company**

| Sr.No. | Regulation/ Sub-Regulations | Due Date for | Actual Date of compliance as mentioned in the regulation | Delay, if any Compliance Col.4-Col.3 | Remarks (in no. of days) |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1 | 6(1) | 20.04.1997 | 13.04.1997 | - | |
| 2 | 6(3) | 20.04.1997 | 13.04.1997 | - | |
| 3 | 8(1) | 21.04.1998 | 21.04.1998 | - | |
| 4 | 8(2) | 21.04.1998 | 21.04.1998 | - | |
| 5 | 8(1) | 21.04.1999 | 20.04.1999 | - | |
| 6 | 8(2) | 21.04.1999 | 20.04.1999 | - | |
| 7 | 8(1) | 21.04.2000 | 11.04.2000 | - | |
| 8 | 8(2) | 21.04.2000 | 11.04.2000 | - | |
| 9 | 8(1) | 21.04.2001 | 15.04.2001 | - | |
| 10 | 8(2) | 21.04.2001 | 15.04.2001 | - | |
| 11 | 8(1) | 21.04.2002 | 19.04.2002 | - | |
| 12 | 8(2) | 21.04.2002 | 19.04.2002 | - | |
| 13 | 8(1) | 21.04.2003 | 19.04.2003 | - | |
| 14 | 8(2) | 21.04.2003 | 19.04.2003 | - | |
| 15 | 8(1) | 21.04.2004 | 16.04.2004 | - | |
| 16 | 8(2) | 21.04.2004 | 16.04.2004 | - | |
| 17 | 8(1) | 21.04.2005 | 19.04.2005 | - | |
| 18 | 8(2) | 21.04.2005 | 19.04.2005 | - | |
| 19 | 7(1A) | 29.12.2005 | 28.12.2005 | - | |
| 20 | 8(1) | 21.04.2006 | 21.04.2006 | - | |
| 21 | 8(2) | 21.04.2006 | 21.04.2006 | - | |
| 22 | 8(1) | 21.04.2007 | 19.04.2007 | - | |
| 23 | 8(2) | 21.04.2007 | 19.04.2007 | - | |
| 24 | 8(1) | 21.04.2008 | 21.04.2008 | - | |
| 25 | 8(2) | 21.04.2008 | 21.04.2008 | - | |
| 26 | 8(1) | 21.04.2009 | 19.04.2009 | - | |
| 27 | 8(2) | 21.04.2009 | 19.04.2009 | - | |
| 28 | 8(1) | 21.04.2010 | 16.04.2010 | - | |
| 29 | 8(2) | 21.04.2010 | 16.04.2010 | - | |
| 30 | 8(1) | 21.04.2011 | 15.04.2011 | - | |
| 31 | 8(2) | 21.04.2011 | 15.04.2011 | - | |
| 32 | 7(1A) | 12.05.2010 | 12.05.2010 | | |
| 33 | 7(1A) | 13.10.2010 | 02.05.2011 | 202 Days | |
| 34 | 7(1A) | 25.11.2010 | 02.05.2011 | 158 Days | |
| 35 | 7(1A) | 01.05.2011 | 30.04.2011 | - | |

**a) By the Target Company (to be given separately for each Stock Exchange)**

| Sr.No. | Regulation/ Sub-Regulations | Due Date for | Actual Date of compliance as mentioned in the regulation | Delay, if any Compliance Col.4-Col.3 | Remarks (in no. of days) |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 (4-3) | 6 |
| 1 | 6(2)& 6(4) | 20.05.1997 | 25.05.1998 | 370 days | |
| 3 | 8(3) | 30.04.1998 | 25.05.1998 | 25 days | |
| 4 | 8(3) | 30.04.1999 | 29.05.1999 | 29 days | |
| 5 | 8(3) | 30.04.2000 | 25.04.2000 | - | |
| 6 | 8(3) | 30.04.2001 | 21.04.2001 | - | |
| 7 | 8(3) | 30.04.2002 | 21.04.2001 | - | |
| 8 | 8(3) | 30.04.2003 | 28.04.2003 | - | |
| 9 | 8(3) | 30.04.2004 | 28.04.2004 | - | |
| 10 | 8(3) | 30.04.2005 | 20.04.2005 | - | |
| 11 | 7(3) | 04.01.2006 | 30.12.2005 | - | |
| 12 | 8(3) | 30.04.2006 | 26.04.2006 | - | |
| 13 | 8(3) | 30.04.2007 | 23.04.2007 | - | |
| 14 | 8(3) | 30.04.2008 | 24.04.2008 | - | |
| 15 | 8(3) | 30.04.2009 | 23.04.2009 | - | |
| 16 | 8(3) | 30.04.2010 | 23.04.2010 | - | |
| 17 | 7(3) | 19.05.2010 | 19.05.2010 | | |
| 18 | 8(3) | 30.04.2011 | 27.04.2011 | - | |
| 19 | 7(3) | 07.05.2011 | 02.05.2011 | | |
| 20 | 7(3) | 09.05.2011 | 02.05.2011 | | |

## FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

| | | |
|---|---|---|
| **OFFER OPENS ON** | **:** | **August 04, 2011, Thursday** |
| **OFFER CLOSES ON** | **:** | **August 23, 2011, Tuesday** |

**Please read the Instructions overleaf before filling-in this Form of Acceptance**

| |
|---|
| FOR OFFICE USE ONLY |
| Acceptance Number : |
| Number of equity shares offered : |
| Number of equity shares accepted : |
| Purchase consideration (Rs.) : |
| Cheque/Demand Draft/Pay Order No.: |

From:

Tel. No.: Fax No.: E-mail:

To
Beetal Financial & Computer Services Pvt. Limited
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062.

Dear Sirs,

***SUBJECT : OPEN OFFER TO ACQUIRE 31820800 EQUITY SHARES OF RS. 1/- EACH REPRESENTING 20% OF THE TOTAL EQUITY/ VOTING SHARE CAPITAL OF SYSCHEM INDIA LIMITED AT AN OFFER PRICE OF RS. 1.50 (RUPEES ONE AND PAISA FIFTY ONLY) PER FULLY PAID EQUITY SHARE OF RS. 1/- EACH BY MR. RANJAN JAIN, MR KUSHAL PAL SINGH, MR RAJESH GUPTA, M/S ALLY CHEM LABORATORIES (P) LTD, M/S ALLYCHEM SECURITIES (P) LTD, CLASSIC SECURITIES (P) LIMITED (HEREINAFTER COLLECTIVELY REFERRED TO AS "ACQUIRERS") ALONGWITH PERSON ACTING IN CONCERT NAMELY MRS RUCHIKA JAIN AND MR JAGMOHAN ARORA (HEREINAFTER COLLECTIVELY REFERRED TO AS PACS)***

I / We, refer to the Letter of Offer dated 28.07.2011 for acquiring the equity shares held by me / us in **Syschem India Limited.**

1. I / We confirm that the equity shares of SIL which is being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
2. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
3. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
4. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration

or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.

5. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer make payment of purchase consideration as mentioned in the Letter of Offer.
6. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
7. I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with SIL/D P :

**Name and complete address of the Sole/ First holder (in case of member(s), address as registered with Syschem India Limited:.**

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**Place: ---------------- Date: -----------------Tel. No(s). : ---------------- Fax No.: ------------------**

**So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/sole shareholder and the consideration will be payable by way of ECS Mode/ cheque or demand draft will be drawn accordingly. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

Bank Account No.: ____________________________________________

Type of Account: --------------------------------(Savings / Current / Other (please specify))

Name of the Bank: ____________________________________________

Name of the Branch and Address: ________________________________

IFSC Code of Bank: ____________________________________________

MICR Code of Bank: ____________________________________________

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

| | 1st Shareholder | 2nd Shareholder | 3rd Shareholder |
|---|---|---|---|
| PAN / GIR No. | | | |

Yours faithfully,

Signed and Delivered:

| | FULL NAME (S) OF THE HOLDERS | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

Note: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolution should be attached.

## INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2 The Form of Acceptance should be filled-up in English only.

3 Signature(s) other than in English, Hindi, Marathi, and thumb impressions must be attested by a Notary Public under his Official Seal.

4 **Mode of tendering the Equity Shares Pursuant to the Offer:**

I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of SIL.

II. Shareholders of SIL to whom this Offer is being made, are free to offer his / her / their shareholding in SIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

| | | | | |
|---|---|---|---|---|
| 5. Business Hours | : | Mondays to Friday | : | 1000 hours to 1700 hours |
| | | Saturday | : | 1000 to 1330 hours |
| | | Holidays | : | Sundays and Bank Holidays |

## ACKNOWLEDGEMENT SLIP

***SUB: OPEN OFFER TO ACQUIRE 31820800 EQUITY SHARES OF RS. 1/- EACH REPRESENTING 20% OF THE TOTAL EQUITY/ VOTING SHARE CAPITAL OF SYSCHEM INDIA LIMITED AT AN OFFER PRICE OF RS. 1.50 (RUPEES ONE AND PAISA FIFTY ONLY) PER FULLY PAID EQUITY SHARE OF RS. 1/- EACH BY MR. RANJAN JAIN, MR KUSHAL PAL SINGH, MR RAJESH GUPTA, M/S ALLY CHEM LABORATORIES (P) LTD, M/S ALLYCHEM SECURITIES (P) LTD, CLASSIC SECURITIES (P) LIMITED (HEREINAFTER COLLECTIVELY REFERRED TO AS "ACQUIRERS") ALONGWITH PERSON ACTING IN CONCERT NAMELY MRS RUCHIKA JAIN AND MR JAGMOHAN ARORA (HEREINAFTER COLLECTIVELY REFERRED TO AS PACS)***

Received from Mr. / Ms. / Mrs. ………………………...…………………………………………….. Ledger Folio No/ Client ID. ……………………………DP ID…………………....Number of certificates enclosed ……..…………… under the Letter of Offer dated ____________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

| **Sr. No.** | **Share Certificate No.** | **Distinctive Nos.** | | **No. of equity shares** |
|---|---|---|---|---|
| | | **From** | **To** | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| **Total no. of Equity Shares** | | | | |

Authorised Signatory Stamp

Date:

**Note**: All future correspondence, if any, should be addressed to **Registrar to the Offer.**

**Beetal Financial & Computer Services Pvt. Limited**
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Das Mandir, New Delhi-110062
E. Mail: beetalrta@gmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
**Contact Person: Mr. Punit Mittal**

**FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT**

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

| | | |
|---|---|---|
| **OFFER OPENS ON** | **:** | **Thursday, August 04, 2011** |
| **LAST DATE OF WITHDRAWAL** | **:** | **Thursday, August18, 2011** |
| **OFFER CLOSES ON** | **:** | **Tuesday,August 23, 2011** |
| Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal | | |

| FOR OFFICE USE ONLY |
|---|
| Withdrawal Number : |
| Number of equity shares offered : |
| Number of equity shares withdrawn : |

From:

Tel. No.: Fax No.: E-mail:

**To,**
Beetal Financial & Computer Services Pvt. Limited
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062.

Dear Sir,

***SUB: OPEN OFFER TO ACQUIRE 31820800 EQUITY SHARES OF RS. 1/- EACH REPRESENTING 20% OF THE TOTAL EQUITY/ VOTING SHARE CAPITAL OF SYSCHEM INDIA LIMITED AT AN OFFER PRICE OF RS. 1.50 (RUPEES ONE AND PAISA FIFTY ONLY) PER FULLY PAID EQUITY SHARE OF RS. 1/- EACH BY MR. RANJAN JAIN, MR KUSHAL PAL SINGH, MR RAJESH GUPTA, M/S ALLY CHEM LABORATORIES (P) LTD, M/S ALLYCHEM SECURITIES (P) LTD, CLASSIC SECURITIES (P) LIMITED (HEREINAFTER COLLECTIVELY REFERRED TO AS "ACQUIRERS") ALONGWITH PERSON ACTING IN CONCERT NAMELY MRS RUCHIKA JAIN AND MR JAGMOHAN ARORA (HEREINAFTER COLLECTIVELY REFERRED TO AS PACS)***

I/We refer to the Letter of Offer dated 28.07.2011 for acquiring the equity shares held by me/us in **Syschem India Limited (SIL).**

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein

I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

**(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')**

| **Sr. No.** | **Certificate No.** | **Distinctive No(s)** | | **No. of Shares** |
|---|---|---|---|---|
| | | **From** | **To** | |
| | | | | |
| | | | | |
| | | | | |
| | **Total number of equity shares** | | | |

II/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

**SHARES HELD IN DEMATERIALIZED FORM**

| DP NAME | DP I.D. | CLIENT I D | NO OF SHARES OFFERED | NAME OF BENIFICIARY |
|---|---|---|---|---|
| | | | | |

I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled "**Escrow A/c BEETAL OPEN OFFER ESCROW A/C-SIL**" ("Depository Escrow Account") details are as under:

| | | |
|---|---|---|
| **DP Name** | **:** | **NDA Securities Limited** |
| **DP ID Number** | **:** | **10035317** |
| **Client ID Number** | **:** | **IN303663** |
| **Depository** | **:** | **National Securities Depository Limited ("NSDL")** |

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use **inter-depository** delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and Delivered:

| | FULL NAME OF THE HOLDER (S) | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

Place:

Date:

**Note**: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolution should be attached.

------------------------------------------------------TEAR HERE-------------------------------------------------

Folio No./DP ID/Client ID :

<table>
<tr><td>Beetal Financial & Computer Services Private Limited<br>Beetal House, 3rd Floor, 99, Madangir,<br>Behind Local Shopping Centre, Near Dada Harsukh Das Mandir<br>New Delhi-110062<br>Contact Person: Mr. Punit Mittal<br>Tel.: 011- 29961281/82<br>Fax.: 011- 29961284<br>E-mail: beetalrta@gmail.com</td><td colspan="2">Serial No.:<br>(Acknowledgement Slip)</td></tr>
<tr><td>Received from Mr./Ms. ____________________________________<br><br>Address ____________________________________<br>Form of withdrawal in respect of __________ Number of Share<br>Certificates representing _________ number of shares.</td><td>Signature of Official and Date of Receipt</td><td>Stamp of Registrar to the Offer</td></tr>
</table>

**Note**: All future correspondence, if any, should be addressed to **Registrar to the Offer**

**Beetal Financial & Computer Services Pvt. Limited**
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetalrta@gmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
**Contact Person: Mr. Punit Mittal**

## INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. Thursday, August18, 2011.
2. Shareholders should enclose the following:-

   **a. For Equity Shares held in demat form:**

   **Beneficial owners should enclose**

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

   **b. For Equity Shares held in physical form:**

   **Registered Shareholders should enclose:**

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   **Unregistered owners should enclose:**

   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from SIL. The facility of partial withdrawal is available only on to Registered shareholders.
7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.